CREDIT AND FINANCIAL MANAGEMENT

Counseling Customers Can Go Wrong

Pre-Selling—Credit's Aid to Profits

Funds Flow Statements as Signposts

The Cover Picture See Pages 5 and 16

APRIL 1960

NUMBER 4

VOLUME 62

Editor's Mail

Tax Savings Clarification

"In the March issue there is an article on Page 11 which could very well be interpreted incorrectly.

"The income tax regulations are quite clear in setting forth that if services are paid for other than in money, the fair market value of the property or services taken in payment must be included in income. Reference is made to Regulation 1.61-2 of the code. It further stipulates that if a corporation transfers its own stock to an employee as compensation for services, the fair market value of the stock at the time of transfer shall be included in the gross income of the employee.

"Perhaps what you are trying to convey is that if an employee-stockholder is willing to forego immediate cash remuneration he can invest his services in the corporation. In this way his services could be presumed to increase the overall value of the business, at least to the extent that they are not offset by withdrawal of immediate monetary compensation. This increase in value then, in turn, can be capitalized, and in this way the employee-stockholder would realize no taxable income when the stock is received. However, if the circumstances surrounding the issuance of stock make it appear in reality that the stock is issued in exchange for services, it is likely that the transaction would result in the realization of ordinary income. There are several cases reflecting such transactions, reference being made to the Joy Manufacturing Company case for this interpretation.

"A clarification of this article might be in order, since many people who may not be completely versed in the tax regulations might very easily construe this information to mean that all one would have to do to reduce his payment of Federal tax would be to have the corporation issue him shares of stock for his services and then treat the receipt of these stocks as a transfer of capital and only realize a gain at the time the stock is sold."

E. Domenici
Treasurer, National Chemical & Manufacturing Company, Chicago.

EDITORIAL

The St. Louis Credit Congress

NO EVENT in the career of a credit executive is so stirring and informative as the annual Credit Congress and Convention of the National Association of Credit Management.

To endeavor to work out one's destinies alone is certainly not the modern means to advancement and success, or the best way to solve problems. There is much to be gained in meeting with other credit and financial executives of similar aspirations, responsibilities and ambitions.

Twenty-five hundred credit and financial executives are expected at the St. Louis, May 15-19, 1960, Credit Congress of the N.A.C.M. The program is now nearing completion. Advance announcement of the general sessions and the Industry Credit Group meetings will be found elsewhere in this issue.

No advance program can adequately visualize the value of this annual get-together, its cooperative exchange of information on new techniques of credit and treasury department operations, as well as the opportunity for discussion of individual accounts of mutual interest. A spirit of brotherhood, of incitement to progress, of vitality that gives joy and satisfaction to the earnest and ambitious delegate in attendance adds to the dividends for those participating.

Entertainment, yes, but that is secondary to the advantages of establishing new contacts with other credit executives in your own industry, in other cities, and exchanging confidences with them on business trends, new methods, collection conditions, foreign affairs, government regulations, new laws and court decisions that affect your business, your credits, your profits.

Also, in a very real sense, attending your annual Credit Congress is much like attending the annual meeting of a corporation in which you hold stock. For your non-profit Association is member-owned and member-controlled, and the Credit Congress is the place to make your voice heard and your vote count. This privilege is the same as your right to vote in a national political election, and is a privilege that should be directly exercised whenever possible.

The location of this year's convention should make it easier for a larger than usual number of members to attend. St. Louis, once known as the Gateway to the West, is now the very hub of industrial U.S., geographically as well as a center of production, commerce and finance. Eighth largest city in the U.S., St. Louis produces more than 4,400 different products, and is accessible by 18 trunk line railroads, 7 airlines, and 8 bridges. Come easily by rail, air, or car.

You — your company — will benefit by participating in this forthcoming Credit Congress.

Edwin B. Moran

EXECUTIVE VICE PRESIDENT

THE APRIL COVER

ANY failure of the credit department to protect the company's profits and deliver them to the treasurer is more costly than failure to make the sale itself, says Samuel Gartner, general credit manager of American Molasses Co., New York.

Here's why, in Mr. Gartner's line of reasoning. Anticipated profits are destroyed, materials required to manufacture the finished product are lost, as are the services paid for by the company.

Hence his emphasis that Sales and Credit must march side by side for company progress and neither function can afford to be outpaced by the other.

Mr. Gartner, who in his article on page 16 says that Credit's specific job is to direct Sales' efforts toward customers who will give the company profitable business, is shown with three of its officers in the cover picture.

Left to right are Mr. Gartner; Frank C. Staples, president; Richard S. Taussig, vice chairman of the board of directors and chairman of the executive committee, and Ellis Slatoff, vice president and treasurer.

Mr. Staples, who began with the company in 1930, as an engineer, was elected vice president in 1943 and president in 1956. He holds a degree in science from Massachusetts Institute of Technology.

A lieutenant commander in the U. S. Naval Reserves in World War II, Mr. Taussig was awarded five combat stars. He attended Cornell.

Beginning with the company in 1934 as controller, Mr. Slatoff was advanced to treasurer and secretary in 1948 and to the vice presidency in 1956. He has a science degree from Cooper Union College.

A biographic sketch of Mr. Gartner is on page 16.

FINANCIAL MANAGEMENT

General Manager, Edwin B. Moran
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IN THIS ISSUE

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Washington

¶ A DISCLOSURE BILL, S. 2755 pending in the Senate, would require that retailers inform borrowers in writing precisely how much they are paying for interest, insurance and other charges beyond the price of what they are buying. While it is doubted that anyone will testify against the principle, plenty of opposition to the bill itself is expected to be voiced, from the standpoint that it violates states' rights and that it is neither necessary nor workable.

¶ ADMISSION of an increased volume of higher-quality wool fabrics into the United States is asked of President Eisenhower by the American Trade Association for British Woollens, Inc. The association proposed that wool fabrics valued at more than $4 a pound carry 30 per cent duty instead of 45 per cent, after the break-point in the tariff quota is reached.

An alternative proposal was that the quota be increased by the amount of the increase from 1956 to 1959 in imports of wool fabrics valued at $2 or less a pound.

¶ MORE LIBERAL interpretation of America's antitrust laws when applied to foreign investment was advocated by Arthur Dean, partner in the law firm of Sullivan & Cromwell, New York, addressing the American Institute of Mining, Metallurgical and Petroleum Engineers.

"It seems reasonable," said Mr. Dean, "that the clear executive policy of encouraging foreign investment should guide our courts in considering whether and how our laws should apply to the activities of businessmen abroad," particularly in view of Russia's intensified economic offensive.

¶ INDICTMENT and DEFENSE of this country's reciprocal trade policies were sounded in two recent addresses, the criticism by an executive of a textile corporation, the other view by an official of the Government.

Harry L. Dalton, vice chairman of American Viscose Corporation, told the Charlotte, N.C., chapter of the Society for the Advancement of Management that, lest there develop a harmful buildup of imported goods, a new approach to the textile industry's difficulties should be undertaken, "possibly even a protectionist approach".

The Reciprocal Trade Agreements Act is out of date, Mr. Dalton charged, adding that in the legislation's first 25 years the textile industry has watched imports rise and exports decline.

Henry Kearns, assistant secretary of commerce, addressing the Greater Charlotte Textile Club, asserted that the industry's situation was "more the result of the vagaries of consumer spending, overcapacity, nontextile competition and inter-fiber competition than because of import competition". He said the "2 million underclothed potential customers in the world offer the long-range solution to your problems."

¶ PREDICTING a gross national product figure of a half trillion dollars before summer, Frederick H. Mueller, secretary of commerce, finds in business acceleration new support for his forecast that 1960 will be our most prosperous year, but he calls upon business to do its part to dull politicians' political inflationary appetites in this election year.

Improved supply is assured, for greater income and sales of lines that were affected by the steel strike, and so business can move ahead with its plans, he says.

Mr. Mueller cites the 1959 retail sales volume rise of 8 per cent above 1958, improved industrial production and sales, steel output at a 140 million ton annual clip. He foresees noteworthy improvement in capital outlays on plant and equipment, greater corporate sales and profits, a better Federal revenue base, reflecting the President's indication in his State of the Union Message that the Federal budget position will be strengthened appreciably.

¶ BUT FOR the effects of the steel and dock strikes, U.S. exports held their pace in the last quarter last year, according to preliminary estimates by the Department of Commerce. The two strikes were taken to account for the decline from the third quarter to the fourth.

Exports were at their low level in the first quarter, picked up a bit better than usually in the second, held steady in the third without the usual summer decline, and indicated a normal forward movement for the fourth quarter had there been no strikes.

Full-year exports practically paralleled those for 1958, which had been 9 per cent under 1957.

¶ TWENTY NATIONS gave official approval to moves sponsored by the United States to reorganize economic cooperation, with procedures drawn up by a 13-nation special economic committee for U.S., Canada and the 18 members of the Organization for European Economic Cooperation. It was decided that four experts would draw up a report on a new organization for a meeting of the 20 nations April 19th. (The new group is not expected to be ready to function until mid-1961.) The four specialists were to represent, respectively, North America, the European Free Trade Association (the Outer Seven), the six-nation European Economic Community (Common Market), and other European nations.

Douglas Dillon, U.S. undersecretary of state for economic affairs, said U.S. favored formation of a new organization in which, subject to Congressional approval, it would assume "full and active membership." He said U.S. sought "orderly methods" to explore problems of European trade, better mobilize resources to aid underdeveloped areas, and new procedures for cooperation to further stability and growth.

OFFICIAL TEXTS — of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25, D.C.

¶ THOUGH private housing starts will drop to 1,200,000 this year (1,325,000 in 1959), overall expenditure on new construction will set a record $55.3 billions, up $1.3 billions from the 1959 estimate, says the Department of Commerce, and spending on all private construction, largely in nonresidential building, will increase to $38.8 billions.

¶ NEW CONSTRUCTION last year reached a record level 11 per cent above 1958 despite the steel strike and the value of new construction put in place was $54.3 billions, says the Bureau of the Census. Expenditures for private construction—$38.3 billions—represented a gain of 14 per cent; public construction at $16 billions was up 4 per cent. Private residential building at $22.4 billions was $4.4 billions above 1958 and accounted for four-fifths of the overall rise in value of new construction put in place.

¶ UNDER a change of rules on "set aside" acquisitions of oil, the small independent refiner is to get a larger share of the purchases by the Military Petroleum Supply Agency.

When the MPSA invited bids on its jet fuel needs for the six months beginning April 1 this year, it announced rule changes entitling small refiners under SBA and MPSA interpretation to a percentage of the "set aside" business, which the large refiners ordinarily would obtain by lower competitive bidding.

The "small" bidder now must under oath affirm not only that he qualifies as small business but also that what he offers for sale is product refined or blended by a small refiner or obtained under an above-board exchange agreement with a small company. Furthermore, in blends, at least 90 per cent of the products must have been by a small refiner.

¶ INCREASE of 8 to 10 per cent in freight revenues of the railroads this year, provided the carriers do not experience a rail strike, is predicted by the Association of American Railroads. In its preliminary report the association listed a 2½ per cent gain in 1959 freight revenues over 1958 but a 4.7 per cent drop in passenger traffic volume. Estimated combined earnings of $590 millions were slightly less than for 1958, almost 20 per cent under 1957.

¶ ALUMINUM, U.S.-produced, this year will set a shipments record 10 to 15 per cent above the 2.4 million ton estimated total for 1959. This is the prediction of Frank L. Magee, president of Aluminum Company of America. Consumption will increase even more, he says, forecasting a "corrective strengthening" of world prices.

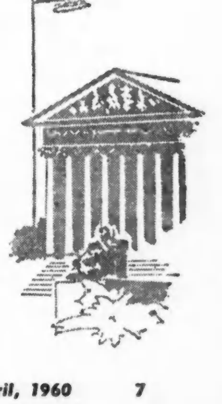
¶ CONVENTIONAL fuel resources of the United States will be sufficient to provide good supply for estimated needs through 1975, Bruce C. Netschert, research specialist of Resources for the Future, Inc., told a Senate-House economic subcommittee. He said this should mean that there will be "no appreciably higher constant-dollar cost" for these fuels in the next 16 years. He predicted only a minor role for atomic energy as a power source in the period.

Sam H. Schurr, director of energy and mineral resources for the Ford Foundation-financed research corporation, estimated for the 1955-75 period a 120 per cent increase in use of hydropower, 107 per cent in natural gas, 95 per cent in oil, and 75 per cent in soft coal. He predicted a further decline of 30 per cent in the soft coal market.

Forecast of a 210 per cent rise in consumption of electricity by 1975 will be made in results of a survey to be published later.

¶ DISPOSAL of 470,000 long tons of natural rubber in the next nine years is planned by the General Services Administration, 40,000 to 50,-000 by June 30, 1960.

Legislation to facilitate disposal operations in the future will be sought by the Administration next year, said J. Roy Price, assistant director, Office of Civilian and Defense Mobilization.



Counseling Customer

UP-TO-THE-MINUTE IDEAS for successful customer counseling were presented in the Tenth Annual Credit Forum sponsored by the Oakland Herd, Royal Order of Zebras, and the Oakland Wholesalers Credit Association. Participants were (l to r): Homer T. Craig, partner Craig, Dunmire & Associates, Inc., Oakland; chairman Kenneth S. Martin, credit manager, Shields, Harper & Co., Oakland; James E. Hammond, senior partner, Skinner & Hammond, San Francisco; panel moderator William H. Keplinger, credit manager, Crown Zellerbach Corp., San Francisco; Ralph M. Weinrichter, assistant credit manager, California Packing Corp., San Francisco; Hal Campe, credit service manager and acting secretary of the association; and Richard M. Oddie, assistant vice president and director of small business advisory service, Bank of America, NT&SA, San Francisco.

NOT SITTING IN JUDGMENT but acting as a guide, the progressive credit executive not only counsels the troubled customer, giving him the benefit of technical knowledge and understanding so that he can correctly analyze his problem and resolve it himself, but also helps a company not in difficulty to strengthen its position and increase its profit.

This philosophy of successful operation and practicable approaches to its application were underlined by the four panelists and moderator in the Tenth Annual Credit Forum sponsored jointly by the Oakland Herd, Royal Order of Zebras, and the Oakland Wholesalers Credit Association.

The panelists were William H. Keplinger, credit manager of Crown Zellerbach Corporation, San Francisco, as moderator; Homer T. Craig, partner, in Craig, Dunmire & Associates, Inc., Oakland; James E. Hammond, senior partner Skinner & Hammond, San Francisco; Ralph M. Weinrichter, assistant credit manager California Packing Company, San Francisco; and Richard M. Oddie, assistant vice president and director of small business advisory service, Bank of America, NT&SA, San Francisco.

While customer counseling is not new to the credit profession, the discussion brought out that only in the past few years has its value been widely recognized and only recently has this service to accounts been so identified.

Counseling is a specialized function in the broad field of customer relations and as such the credit manager now is taking his place in the front rank alongside bankers, certified public accountants, lawyers and management consultants in this service to company and account.

"Counseling the customer or potential customer in appropriate financial or management areas", said Mr. Keplinger in definition, "includes: *obtaining* information, *analyzing* it, *interpreting* it, and then *guiding, directing,* or *properly referring* the customer to the right sources for help."

Counseling means taking action to get results, he added, but it should be preventative as well as restorative, with both short and long range benefits to be considered.

Why should credit managers give counsel to customers? "To aid your customer objectively, to aid your company effectively, to aid yourself continuously," said Mr. Craig, lead-off panelist.

"Regardless of the state of company health, most small and medium-size businesses can benefit from realistic credit department counseling because *any* firm has its strong and weak points; the enterprisers cannot be strong in everything."

Discussing *when* to counsel an account, Mr. Hammond emphasized that the credit executive first should have basic knowledge of communications, accounting and taxes, commercial law, economics and finance, marketing and merchandising, management and human relations.

Because faulty counsel may result in a bad debt as well as the loss of an account, the panelist cautioned credit executives to "seek assistance from qualified persons, either inside or outside your own organization, where complex problems exist in specialized fields, such as sales, advertising, accounting and production".

The time to counsel, he declared, is after careful analysis of any of the following areas shows a need for correction or expert advice: payment records, balance sheets, income statements, statements of surplus (or proprietor's or partner's capital accounts), credit policies, inventory, accounting practices, insurance, and apparent weaknesses in management.

As for *how* to offer suggestions to the account, Mr. Weinrichter pointed to the prerequisite to obtain all possible pertinent data such as financial statements, credit reports and comparative industry figures. Impromptu counseling, he warned, is dangerous.

Mr. Weinrichter advised: 1. Be objective; 2. Be specific; 3. Stick to the facts; 4. Beware of an emotional approach.

(*Concluded on page 18*)

Highlights 2 Forums

AT SEMINAR conducted by the Minneapolis Credit and Financial Management Association at the University of Minnesota; FRONT ROW (left to right): John Hegge, International Sugar Feed Co., chairman association's education committee; Mrs. Georgie M. Anderson, treasurer Charles W. Stone Co., association president; Ben B. Hutton,, professor, School of Business Administration, University of Minnesota; Richard L. Kozelka, dean; James Spear, program director, university's Center of Continuation Study. BACK ROW: Rubert Lindholm, association executive secretary-treasurer; E. Norman Eck, Northrup King and Co., director; Marion M. Johnson, vice president, Brown Forman Distillers Corp., Louisville; G. C. Klippel, business consultant, Indianapolis; S. J. Haider, vice president, National Association of Credit Management; V. S. Ames, Kimberly-Clark, Neenah, Wis.; J. Homer Hilf, Aluminum Company of America, Chicago; and William P. Layton, NACM education director.

PREFACED by a challenging note voiced by Edwin B. Moran that squeezed earnings this year will put credit executives to the ultimate test for profitable management, the 150 attending the second annual Credit and Financial Management Seminar at the University of Minnesota came away from the conference with a wealth of guides on how best to counsel customers.

Addressing the pre-Seminar dinner, the executive vice president of the National Association of Credit Management said that 1960 will be a good year but it also will bring rising costs and high taxes which business will not be able to pass along in entirety to the consumer.

Richard L. Kozelka, dean of the university's school of business administration, presided the following forenoon at the opening session of the Seminar, sponsored jointly by the university and the Minneapolis Credit and Financial Management Association.

Discussing fiscal and monetary policies and their effects on current economic trends, Frederick L. Deming, president of the Federal Reserve Bank of Minneapolis, said the U.S. rate of economic growth can increase by 4 to 4½ per cent annually if the people are assured that our money is stable and if their savings are adequately rewarded.

While Russia's growth rate is double ours, he added, it would take the U.S.S.R. 16 years to reach our level of today, and, if our growth rate is increased, the gap will be widened. However, the banker cautioned, U.S. must continue competitive worldwide lest our gold supply be drained away.

Diverse theories on fundamentals of balance sheet interpretation and practical credit decisions were advanced by G. C. Klippel, Indianapolis business consultant, and Professor Ben B. Hutton of the business school. Mr. Klippel championed use of standard ratios as most important for comparisons; Professor Hutton favored cash flow analysis, contending that balance sheets and profit-and-loss statements do not give the complete picture. For example, he explained, the inventory figure is too low in time of inflation, too high in periods of deflation.

Panel on Customer Counseling

Panel discussion of customer counseling highlighted the afternoon session, chaired by Robert S. Hancock, associate professor. Participating were J. Homer Hilf, district credit manager Aluminum Company of America, Chicago; Marion M. Johnson, vice president Brown Forman Distillers Corporation, Louisville; John E. Ledbetter, secretary and credit manager Northrup, King & Co., Minneapolis; and T. E. Murphy, general credit manager The Pillsbury Company, Minneapolis. William P. Layton, NACM's director of education, was moderator.

Analyzing experience-proven techniques of selling to marginal accounts, Vern S. Ames, general credit manager Kimberly-Clark, Neenah, Wis., and vice president-professional development and education, Credit Research Foundation, Inc., spelled out the steps to take before making decision on line of credit.

William S. Roth, vice president Northern Trust Company, Chicago, presented a case study on solution of a credit management problem. Copies of the case report were given all the seminarians, with four questions to answer the following forenoon in small discussion groups.

After the sessions the group leaders reported preliminary to general discussion, with Mr. Roth as moderator. Group leaders were Harold N. Berg, Dakota Electric Supply Company, Fargo; C. J. Swalen, Pako Corporation, past vice president Central Division NACM; James E. Remington, Minneapolis Honeywell Regulator Company; and Milton J. Wied, Newhouse Paper Company, all of Minneapolis.

Selection of best legal remedies for

(Concluded on page 18)

MANAGEMENT AT WORK

.... a problem case is solved

By ORVILLE G. SORRELL
Treasurer
The Michaels Art Bronze Company
Covington, Kentucky

WHEN we started in business in 1870, we were a foundry on Front Street in Cincinnati. We produced artistic castings from bronze.

Would you think, then, that we are also one of the larger manufacturers of automobile parking meters?

Our Mi-Co Meter division was formed in 1936 and our first parking meter installation was made in Hot Springs, Ark., in 1937. Since that time the automobile parking meter has had a fantastic growth and acceptance. Witness the following incident, reported by a bellhop in Grand Forks. Parking meters had been outlawed for the second time in North Dakota, by referendum, and the city fathers dutifully removed the meter heads, leaving the posts standing pending disposition. A woman motorist pulled into one such car space, parked her car, alighted, examined the situation. After pondering the matter for some time, she finally dropped a nickel into the empty post. After the resounding "clang" she proceeded on her errand.

The Legal Red-Tape

She had solved her problem, but a company dealing with political subdivisions confronts a dilemma of a different color. Not from the standpoint of collecting, because a government agency is required by law to have a guaranteed source of revenue or an appropriation before it can obligate itself for a purchase in excess of a stipulated amount. The impasse is the mass of legal red-tape that must be complied with in order to get the money in hand. This also creates a problem in ageing your accounts, because what would be a 30-day account with the average customer now becomes a 90-day account. Add the complications of instalment selling and credit factors, and you have parking meter credit.

At least 50 different purchasing arrangements are involved in the selling of parking meters to municipalities. These range from cash for the meters on installation to short trial periods preceding the purchase—from long range installations with 25 to 50 per cent of the revenue remitted each month to the manufacturer to apply against the purchase price, to a discount for cash in 30 days after installation.

The manufacturer retains title to the meters until the purchase price is paid in full, but the title to the meters is vested in the city immediately or after a six to twelve months trial period. Sometimes, although the city pays cash and title passes, the manufacturer is required to maintain the meters for a year. And always the meters must be warranted against defective materials and workmanship, for a period of one year.

Through our affiliate in Canada and a manufacturer in England who was granted manufacturing rights, we have been quite active in the foreign market for years. Canada is well metered. Mi-Co parking meters are operating in such cities as Kiel, Milan, Brussels, Tel-Aviv, Birmingham, and in Christchurch, New Zealand. Sales are being made direct from our plant in Erlanger, Ky., to Alaska, Hawaii, South America.

Mexico Its Own Problem

Then a market survey revealed that the Mexican market was ready. Despite the many poor roads, automobiles in Mexico were increasing in such numbers that they seemed to be spawned of the heat and the dust. Nevertheless, with the differences in temperament and language, the erratic change in the value of the peso and the extremes in business acumen, the question became: "What terms should be granted?"

We approached the question cautiously. We desired the sales, but because of the extended period of payout (the first contracts secured were not cash sales), we wanted to be sure that the purchase price would be paid in full. Hours were spent in conference with managers of the foreign departments of local banks.

Finally we decided that these first installations should be sold only on letter of credit. However, we went

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ORVILLE SORRELL, treasurer and assistant secretary of the Michaels Art Bronze Company, office and plant at Erlanger, Ky., has long been active in credit organization and is a past president of the Cincinnati Association of Credit Management.

Mr. Sorrell, graduate of Salmon P. Chase College and holder of the Fellow Award of the National Institute of Credit, served with the 8th Air Force in combat.

Community activities include: city councilman, member of planning and zoning board, member Kentucky Chamber of Commerce, district chairman Northern Kentucky United Appeal.

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one step further. With the help of our local bank and the cooperation of the Mexican city's bank, we worked out a method of monthly draws against the letter of credit. From experience we arrived at a monthly remittance which would approximate 50 per cent of the monthly revenue from the meter installation. Each month after the meters were installed we drew this amount on a specified date against a simple receipt until the purchase price was paid in full.

As competition in the market increased the cities began to pressure for purchase on open account. It was the consensus that the market was not yet ready for that, but our agent made it plain that our customers' pride was injured by questioning their credit. What could we do to soothe the customers, secure the contract, and yet guarantee our collections?

Account Is Bonded

Again the conferences. We added another viewpoint. We called in our surety company. It proposed bonding the account. Through its efforts an affiliated Mexican bonding company came into the picture and guaranteed performance of the contract. This company established an authorized collecting agency (usually the city's bank) to collect the revenue from the meters and account for it and the expenditures. Now, with our check, we receive a very elaborate statement of income and expenses, all in pesos, which makes for delightful reading.

A recent checkup showed more than a dozen installations running in excess of a half-million dollars had been made in Mexico under these conditions.

Only the surface has been scratched as far as the potential market in Mexico is concerned. Only a few cities have been metered. And as more money is poured into investments in Mexico, additional problems develop. The major one is how to assure payment in full in a specified period of time when the monthly payments on parking meters are made a portion of receipts. This problem has yet to be solved. When it is, a case history all its own will have been completed.

Modern Concept and Use of Funds Flow Statements As Signposts to Both the Creditor and the Debtor

By **WILLIAM J. McDONALD**
Controller-Treasurer
National Association of Credit Management

RECENTLY PUBLISHED figures on continuing volume growth released by the chemical industry's leaders, with predictions of $28 billions in sales for 1960 and estimates that earnings for 1959 will perhaps produce even more favorable comparisons than the 1959 increase in sales over the year 1958, are typical and indeed indicative of our fast growing economy.


W. J. McDONALD

It is not uncommon, however, to observe from the annual report on a prominent company that, whereas sales have increased, there is a decline in earnings. Many factors, as we know, may have contributed to the reductions in net earnings.

I shall not bore you with a recitation of figures and ratios that convention has imposed, as yardsticks for evaluating the factors as an appraisal of management's performance. I share the opinion that financial statements have only limited value and ordinarily do not go far enough to adequately measure the potential of an account, unless they are supported by a proper summary of the Cash or Funds Flow projections.

Flow of Funds Between Various Items

The Cash or Funds Flow Statement, in all its related aspects, can be most revealing, in that it reports the flow of funds between the various asset, liability and equity items during an accounting period. Generally, the statement and its refinements are prepared of transactions retrospectively. Similarly, formal income statements and balance sheets are limited in their scope. They are not designed to set up a goal or an objective, not to foretell coming events. Rather, they are systematic written accounts of the past.

Forward planning in establishing sound creditor-debtor relations demands adherence to the required standards peculiar to any given industry and company. These standards, which are imposed by equity capital, involve debt, sales and earnings, all of which are basic in the preparation of any cash forecast.

Successful creditor-debtor relationships are predicated on the same principles governing the dealing between financial counselor and counseled and should be no less important to supplier and customer. When a business is in need of funds, its management turns to the banker. The latter, in forming his basis to support a decision to loan, is influenced not by sales volume but by the borrower's capital assets.

Acceptable ratios of debt capital to equity capital, or owed capital to owned capital, suggest that they be kept within the respective bounds of 45 per cent and 55 per cent of total capital. Most of you, I am certain, have seen this principle violated during inflationary years of rising sales volume, to the drastic extent where equity capital has been conversely only 30 to 40 per cent of total capital.

Such a situation courts disaster, when we consider the possible consequences of, say, a 20 per cent drop in sales and its effect on the amount of capital invested in Inventory. Inability to meet current obligations would be one serious consequence. Even in inflationary periods, companies which become so involved with problems of meeting payments on debt capital, and attempting to renew loans, are forced to liquidate, especially where operating expenses have kept pace with sales.

Many persons vested with the responsibility for extending credit, are often impressed by the glowing estimates of future likely sales volume which most businessmen think of as a measure of success. Conversely, the banker and perhaps some credit executives might look with favor upon the non-aggressive management of a debtor company which, despite management's omissions, has maintained a sound financial position. In electing to ride with the tide in the interest of self preservation, an obviously overcautious finance policy very often is actually a deterrent to the company's progress. Such a company operating on a high-profit low-volume basis, content with a sales volume below its allowable capital standards, is exposed to numerous disadvantages which a judicious management should avoid.

Definite Relationship

It is important to recognize that there is definite relationship between capital and sales volume. The credit executive and customer who base their cash projections, requests for credit and decisions on expected sales volume, without considering the limitations imposed and standards demanded by capital, are on an un-

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WILLIAM J. McDONALD, controller-treasurer of the National Association of Credit Management, addressed members of the National Chemical Credit Association at their seventh annual meeting, in Philadelphia, on "Modern Concept and Use of Funds Flow Statements as Signposts to Both Creditor and Debtor". (Text herewith)

Mr. McDonald, who joined NACM in March last year as controller, was elected to the treasurership by the board of directors at their November meeting in New Orleans.

A certified public accountant, Mr. McDonald after several years of public practice joined Susquehanna Mills, Inc., and was successively general auditor, controller, corporate secretary, and treasurer. Special assignments with other large companies preceded affiliation with NACM.

He attended Fordham University's school of business administration.

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charted course. It is noteworthy that the standards within an industry, or between companies, may vary widely. The matter of determining whether a creditor's estimated sales volume is too large or too small in relation to the company's capital cannot be adequately covered at this time. Suffice it to say that its sales volume should not be "guesstimated" but must be that amount which will keep the company's total capital fully and profitably employed in a 45-55 per cent ratio.

Assuming that creditor and debtor have agreed, after application of a proven formula, on a sales projection volume that will generate a net profit of desired percentage without jeopardizing the equity position of the customer or causing the supplier undue anxiety, its product components should be set forth in detail. The sound sales projection requires a survey of the market available to the entire industry for products of a similar or allied nature.

Cash forecasts, also known as Cash Flow or Funds Flow Statements, primarily may be approached from different premises. The method that we have seen commonly used in business involves the direct estimate of cash receipts and disbursements. It sets forth the broad variations of the company's activities in full detail, and should serve as the basis for any projection to supplement and substantiate a request for credit. Properly prepared, it contains a wealth of information and is ordinarily the responsibility of the company controller, who is expected to possess a well-rounded knowledge of the debtor's business.

A proper use of the modern techniques of cash forecasting, in all its refinements, requires that management's thinking be contemporary and ever abreast of the constant volatile forces of competition, the tight money market, etc., preoccupation with which is required by the necessity for survival.

There is no prescribed format for a detailed cash flow statement. It requires maximum clarity and utility and should conform to the individual circumstances peculiar to any number of companies. However, it is important to keep in mind the value of any forecast in terms of time. Any attempt to project the cash flow beyond 6 months requires a great deal of generalization. Long range plans are always subject to such broad influences as the national economy and technological improvements. In the pursuance of our daily endeavors we can bear witness to instances of downward trends in sales with resultant cutbacks in purchasing programs, directly attributable to tight money. This is with realization of the purpose to deter further inflation.

I do not subscribe to the proposition, as a matter of policy, that a potential debtor seeking a line of credit be obliged to furnish a projected funds flow statement, unless the individual circumstances, after careful review of the applicant's business, management, methods of operation, earnings record, equity capital and financial condition justify the purpose such a statement would serve.

It is, however, my firm belief that during the early years of the next decade you gentlemen vested with the responsibility of decision will, in the process of weighing the value of an account to your respective companies, be confronted with many requests for extensions and increases

(Concluded on page 18)

Can We Automate Data for Credit Decisions?

Holmes, in Article in "The Office", Cites Advantages and Problems

By WILLIAM L. HOLMES

President

National Association of Credit Management

Assistant Treasurer

Schlumberger Well Surveying Corp.
Houston, Texas

THE CREDIT MANAGER will have to live, operate, and make decisions in a world of automated data. Every time a new industry survey is made, more companies are found to have installed automatic data processing equipment — or to be considering it. Anyone who orders such equipment today knows he will probably have to wait for delivery. As more smaller computers come on the market, usage will surely spread to smaller companies. Electronic hardware will be less and less an indication of size.

W. L. HOLMES

The accelerating growth of our economy makes automation more attractive and, in some cases, necessary to many companies as they grow with the national economy or faster. Economists have predicted that the gross national product this year will climb to an all-time high of $515 billion—more than 7% above 1959's third-quarter rate, and nearly double the level of a decade ago.

Along with other business executives, the credit manager must face and solve the problems that invariably accompany growth and change. Some have already learned what the credit department gains—and loses—when it automates. As time goes on, many more will learn the difference between the glamor of the sales promise and the actualities of recording credit data electronically. While such an equation oversimplifies the problem, it appears that as data processing makes credit bookkeeping faster and easier, it also tends to make evaluating the credit risk slower and more complicated.

The article herewith, by William L. Holmes, president of the National Association of Credit Management, is reprinted with permission from the February number of* THE OFFICE, *Magazine of Management, Equipment, Methods.

In punched card accounting, an essentially ledgerless process, what credit men call the "history" is lost, or dispersed. Traditionally considered the most valuable tool the credit manager can have, the ledger card is a permanent record—complete, concise, clear and convenient. It is four tools in one: (1) it shows high credit; (2) current status (how much is owing, how much past due); (3) manner of payment; (4) sales volume. It also may contain penciled notes that tell a significant story. Of course, punched card accounting can and does provide all the information normally found on the ledger card, but on separate reports. This means the credit man must go to several sources for the information he previously had on one simple ledger card.

If he wants to automate extensively, he must, therefore, invent new procedures to make these various sources work for him as effectively as the ledger card. The information previously available on the ledger card *can* be obtained. But with the systems in general use, the cost of key punching and machine time to obtain this information is almost prohibitive. It can be obtained at much less cost by clerical help. Credit departments of many companies that use punched card accounting maintain customer history cards so that this information will be available for credit decisions. To put such disadvantages in perspective, however, keep in mind the advantages that punched card accounting gives the credit manager. At least seven are generally recognized by credit management:

"If the company is to know the true future costs of a computer and protect its profits fully, it should include the credit manager in the socalled feasibility study." **William L. Holmes**

- **Monthly statements are more complete and automatic.**
- **Aged trial balances are available at regular intervals, replacing the tedious manual aging of ledger card balances.**
- **Clerical time is saved by machine handling of routine operations.**
- **Postings are more up-to-date, and there is improved control of credits and collections during peak periods.**
- **Duplication of effort and clerical errors are substantially reduced.**
- **Customers are more easily classified, and more statistical analysis of accounts receivable is possible.**
- **The company's cash position can be better predicted by an automatic appraisal of the accounts receivable.**

These are important advantages, and perhaps of more value to large companies with more customers and a greater volume of transactions. To complete the package, the credit manager can have ledger cards made up similar to those he had before automation. Generally companies that use punched card accounting have not done this because of the added costs.

Credit History Is Basic Need

Manufacturers can make data processing equipment that will do the job the credit manager needs but, at present, this usually results in such increased cost that equipment makers' selling arguments of greater speed and lower costs may be undermined. Top executives of the National Association of Credit Management are presently in conference with computer manufacturing executives to explore mutually satisfac-

WILLIAM L. HOLMES, *assistant treasurer and general credit manager of Schlumberger Well Surveying Corporation, Houston, was named president of the National Association of Credit Management at the 63rd Annual Credit Congress, at Dallas in May, 1959.*

Following attendance at Arkansas A. & M. and graduation from Hendrix College, Mr. Holmes served with Arkansas Power and Light Company and the B. F. Goodrich and Firestone tire and rubber companies before joining Schlumberger in 1941.

Past president of the Houston Association of Credit Management, Mr. Holmes was a director of National 1951-54 and was elected Southern Division vice president in 1955.

tory solutions to this problem. There is a growing appreciation among electronic data processing marketing officials that EDP must incorporate advantages whereby traditional information such as the credit history can be presented in useful form without excessive cost. The need for a convenient credit history is not only internal; it is basic to the comprehensive interchange of credit information.

The credit interchange service of NACM has already encountered some disturbing effects from automation. A basic purpose that led to the founding of NACM 64 years ago was to facilitate the voluntary exchange of confidential credit information to protect credit risks in businesses of every kind. This service, now provided by 59 affiliated units of NACM in cities with a high concentration of businesses, rapidly transmits credit experiences with customers of more than 12,000 member companies.

Providing credit experience is becoming increasingly costly and difficult for some companies that have automated. The necessity to obtain credit history (such as recent high credit or manner of payment) from different sources also slows down the process. Yet the strength and value of the service for each member depends on the maximum mutual interchange of comprehensive information among all.

This deepening problem requires outspokenness and attention from

(*Concluded on page 19*)

Pre-Selling—Credit's Boon to Sales

Can Keep Cart behind the Horse and Swindler Off the Books

SALES and CREDIT are equally important in a well-balanced company and neither function should be relegated to a lesser or subsidiary position, says Samuel Gartner, general credit manager of American Molasses Company, New York.

SAMUEL GARTNER

Turnover is fully as essential as assurance of low bad debt losses, the credit executive emphasizes, and the salesman can do much to help the credit manager protect profits and deliver them promptly to the treasurer. Pointed out are three directions in which a lapse in this function "is more costly than failure to make the sale itself":

1. Anticipated profits are destroyed;
2. There is complete loss of materials needed to make the finished product, and
3. The services paid for by the company are sacrificed.

Now that competition is returning "with even greater force", Mr. Gartner notes that top management, sales, credit, production, research, and marketing all have their specific responsibilities to meet that challenge.

"Sales and credit must work together as a team", he told the company's sales staff in annual conference. "Success in building an adequate and stable market for its products depends in large measure upon the degree to which the sales and credit departments coordinate with each other.

"Any sales on which the anticipated profits are not realized are futile and all your sales efforts have been for nought. Our ultimate object, just as yours, is to sell our company's products for profit.

"Specifically, our job is to help you direct your efforts toward customers who will give the company profitable business. You can do much to help us help you.

"Most of our contacts with customers are by correspondence. The greatest delicacy in handling correspondence cannot guarantee that misapprehensions or misunderstandings will not arise. Whenever you think it might be helpful for a creditman to visit a customer, please relay your suggestions through your divisional sales manager."

Noting that all in the credit department "make a sincere effort to find a safe and sound basis on which to deal with every customer to whom the sales department wants to sell", Mr. Gartner underscores the axiom that no sale is profitable until it is paid for.

"All credit sales become progressively less profitable each day payment is withheld beyond the sales terms, and require ingenious and persistent collection efforts after due day. Every effort is exerted to collect the accounts on an amicable basis. At times it may be necessary to enlist the services of the salesman covering that territory. This procedure has not been resorted to frequently, as we have no desire to have our salesmen spend too much time in collection work.

If this procedure fails to produce results, we have no recourse but to take drastic steps to protect the interests of our company.

"You will agree that an extensive investigation is necessary when a fairly large order is received from a new account, or from a regular customer who ordinarily has been placing orders in considerably smaller quantities."

Prelude to Thwarted Swindle

"A case in point concerned a salesman—let us name him Mr. Bill Brown—who never overlooked an opportunity to make a sales call. He heard a rumor that a company—we'll call it the Jones Sales Corporation—was setting up a chain of general merchandise stores and was placing heavy orders with suppliers. For quite some time he had been calling on the purchasing agent, but the latter had resigned since Mr. Brown's last call. He found the office crowded with other salesmen waiting to see the new purchasing agent.

Shortly after being ushered into the office Mr. Brown had in his pocket his biggest order in months. From his hotel he airmailed the order to headquarters, specifying that the order would be canceled if the merchandise was not in the customer's warehouse within 10 days.

"Three days later Brown received a letter from the credit manager advising that some changes appeared to have taken place recently in the Jones Sales Corporation and the order would have to be held up pending the necessary credit investigation. In three days the investigation was completed.

New Principals Crooks

It developed that the company had been sold to new principals and that the latter were members of a swindle ring which made a practice of buying established concerns and then exploiting their reputations as they wrecked them. Shortly thereafter, postoffice inspectors raided the premises and arrested the entire ring. Needless to say, Brown felt greatly relieved."

The credit poacher, the salesmen were told, is a good student of human nature, thoroughly familiar with the problems of both the sales and credit departments and the desire to ship every possible order. Here is where the credit department acts as a safety valve.

Mr. Gartner cited some of the devices used by credit fraud rings.

1. They use impressive names,

SAMUEL GARTNER, general credit manager of American Molasses Company, New York, has been with the company since 1917, advancing through various positions, including office manager, personnel director, purchasing agent.

Mr. Gartner, who attended Pace Institute, the New York Institute of Credit, and City College, is past chairman of the National Food Credit Group, is now eastern vice chairman of NACM's national legislative committee, and a director of New York Credit & Financial Management Association.

such as American International, United, National.

2. They imitate well-rated names and mailing addresses on the same street. "Our credit department insists that orders show the street address, which is compared with our customer's ledger. Any deviation is questioned."

3. They purchase medium-size concerns with favorable ratings and use the names for all they can possibly get from suppliers and with no intention to pay.

4. They furnish fake references, possibly friends and relatives, who no doubt are part of the scheme.

5. They place sample orders for small quantities. "If we find the ordered quantities unwarrantedly increasing we make inquiry, possibly a personal call."

6. They may place large orders C.O.D. to some long-distance destination; then, as the supplier knows a substantial loss would result if the goods had to be returned, they prevail upon the supplier to ship without the C.O.D. charges.

7. The first order is paid promptly, perhaps a second, then a large order is placed and not paid for.

8. They resort to discounting to a small group of suppliers, then use them as references for purchase orders scattered over a wide front.

Salesmen learn by experience that the best sales usually are hardest to make, that the too-easy or unsolicited order merits investigation, that even the paid-for small order may be a "build-up toward a bigger credit loss."

"Risk" and "Gamble" Contrasted

Mr. Gartner makes clear the difference between a "risk" and a "chance". A *risk* is undertaken "with every precaution and with eyes wide open"; a *chance* is "a blind gamble in which the businessman is at the mercy of blind luck." Here again he notes how credit departments can cooperate to save the "many productive hours lost each year by salesmen in their eagerness to book orders that prove not worth the paper they are written on".

"Pre-selling" — taking a few moments to check with the credit department to determine the line of credit available to the prospect—can help salesmen "avoid many embarrassing situations".

"As too often happens, in their enthusiasm the salesmen may 'put the cart before the horse'. They make calls on what appear to them to be important prospects, without obtaining advance advice from the credit department. Why waste time and effort on worthless prospects when, through proper steering, sales efforts can be concentrated on credit-worthy and profitable accounts?"

Discontinued Open Terms

Mr. Gartner also calls attention to the credit department's unpleasant task at times to discontinue open terms at a moment's notice because of an overnight change in a customer's status. It may be due to his personal affairs, a severe fire loss under inadequate insurance coverage, inability to collect his accounts.

"Salesmen should not hesitate to forward any information good or bad that they have regarding a customer's business—and they are on the scene to pick up bits of new information that may change the entire picture."

On prospective and new customers, such information may include the name of the customer's bank connection, a record of his suppliers on main items, reports on personal appearance and motives of the individuals, the looks of the premises and equipment.

"If the information obtained by the credit department seems insufficient to warrant a substantial open line of credit, it may be necessary for the salesman to submit financial statement forms to the customer and ask that they be completed and mailed direct to the credit department. Knowing how to ask without giving offense is an art which requires utmost diplomacy.

"If the prospect asks why he should give this information the salesman may provide satisfactory and convincing answers by pointing out that financial data freely given make it that much easier to serve him his full requirements, that furnishing the information is sound business practice, by assuring him that the confidential nature of the information will be respected, and that willingness to provide financial data helps foster a closer, friendlier relationship with the supplier."

FUNDS FLOW

(Concluded from page 13)

in given lines where expansion, motivated by many factors, will be the paramount consideration influencing your thinking.

In this connection, I consider it indispensable to progressive planning and in the mutually balanced interest of debtor and creditor, that the effect of transactions detailed in a customer's Cash Flow Statement be summarized and presented as an integral tie-in to the debtor's financial statements. The plan has been followed with immeasurable success by banks and factors serving a wide range of industries.

Exhibits Presented

To illustrate the revelations and value of such a summary, I have prepared and submit two exhibits identified as A and B. The figures as stated are fictitious. Combined, the exhibits present the refinements of the detailed projected Cash Flow Statement in its simplest form. They tell a story that neither the estimated statement of income, profit and loss nor balance sheet alone would reveal, respecting the projected results of a debtor's plans to expand.

I offer them for your consideration as constituting the basis for some thought respecting the possible adaptation of an industry standard.

May I suggest that you review my comments and the results shown in the Exhibits. Please feel at liberty to write to me concerning any aspect which you might wish clarified.

Exhibit

HYPOTHETIC CHEMICAL DISTRIBUTORS, INC. (A Fictitious Entity)

Projected Funds Flow Statement for the Six Months Ending June 30, 1960

What We Proposed To Do		How We Plan to Finance It		
Expand:		Reduce Cash		$ 6,000
Accounts Receivable	$117,000	Sell Security Holdings		100,000
Inventories	60,000	Borrow:		
Acquire New Machinery and Equipment	277,300	Accounts Payable (Creditors)		112,000
Pay a Dividend	37,500	Bank Loan		25,000
Miscellaneous changes	2,200	Mortgage Property		200,000
		Obtain Funds from Operations:		
		Net Income	25,000	
		Allowance for Depreciation	26,000	51,000
	$494,000			$494,000

HYPOTHETIC CHEMICAL DISTRIBUTORS, INC. (A Fictitious Entity)

Projected Condensed Statement of Income, Profit and Loss

For the 6 months, January 1 to June 30, 1960

		Percentages
Net Sales	$780,000	100.00
Cost of Goods Sold	590,000	75.64
Gross Profit	190,000	24.36
General Administrative and Selling Expenses (Including depreciation expense of 26,000)	180,000	23.08
Net Operating Profit	10,000	1.28
Other Income	15,000	1.92
Net Income, before taxes	$ 25,000	3.20

Retained Earnings Reconciliation Summary

Retained Earnings as of December 31, 1959		$548,200	(A) Excludes 75,000 Capital Stock
add, Net Income 1/1 to 6/30/60		25,000	
		573,200	
Deduct, Dividend to be paid	37,500		
Expected Loss on Disposal of old machinery	23,400	60,900	
Estimated Retained Earnings as of June 30, 1960		$512,300	(B) Excludes 75,000 Capital Stock

Comparative Capital Ratios, to a 45-55 Per Cent Standard

	%	12/31/59	%	6/30/60
Capital Owed	6.5	$43,500	39.3	$380,700
Capital Owned	93.5	623,200 (A)	60.7	587,300 (B)
	100.00	$666,700	100.00	$968,000

The Exhibits have been combined to conserve space. It may be assumed that the figures represent the effect of the changes in the respective Balance Sheet items within the projected 6 month period.

MINNEAPOLIS

(Concluded from page 9)

distressed accounts was the topic of C. J. Wagner, senior partner in Wagner & Bailey, Minneapolis attorneys, at the closing session.

Mrs. Georgie M. Anderson, treasurer of Charles W. Stone Company and president of the association, presided at the concluding luncheon. After a short resume of activities of the university's Center for Continuation Study by James Spear, its program director, Mr. Layton spoke on "Preparation—Your Guide to Better Credit Management", with emphasis on initiative, perseverance and hard work.

OAKLAND

(Concluded from page 8)

Mr. Oddie, as "anchor man" of the panel, first summarized the benefits and pitfalls in offering suggestions to the account, then took up the attributes of the successful counselor.

There must first be a meeting of minds—credit manager and customer—for mutual benefit. Too, the credit executive should use a "problem-solving" or "non-directive" guiding rather than passing judgment—"basically listening, so that the customer will come to his own understanding of the problem and ways to solve it."

Customer counseling, Mr. Oddie summed up, should be attempted by only those with technical knowledge, plus a warm understanding of human problems, sufficient to enable them to play a helpful role in guiding the customer.

Then the customer "will be able to analyze his own situation and find his own path out of the situation in which he is involved."

$17,800 a Production Worker

Capital investment averaged $17,800 per production worker in the first half of 1959, a slight decline from the record high in 1958, according to the National Industrial Conference Board. Definition: total assets at book value less investments in government obligations and in other corporations' securities.

WILLIAM L. HOLMES

(Concluded from page 15)

credit management *now*, if top corporate management and computer manufacturers are to recognize its importance and potential consequences. Credit managers should participate in company studies preliminary to installation. The credit department should be considered whenever a company initiates the planning stage for conversion to automatic data processing. This has not always been done.

Many companies that seek to answer the question, "Should we automate?" use outside advisers and consultants to study workflow throughout the company. The broad viewpoint is essential, since automation of any segment of a company's operation will have an impact on the entire system, may affect the methods and procedures that make the system work and, in some cases, may influence the company's basic organizational structure. EDP is an anonymous force that must ignore traditional functions and lines of reporting, and may shift traditional boundaries between line and staff. It is also related to—and may alter—the degree of centralization or decentralization in the company. How branch operations fit into the whole corporate pattern is an important factor in the decision to automate and, how to do this successfully.

Those who have traveled this road know that the ultimate success of the program—whether it leads to action or postponement—depends on studying every phase and effect of automation in tedious detail with uncompromising realism. This includes a close view of what actually will happen in the credit department: what it needs—and may lose—with electronic equipment. If the company is to know the true future costs of a computer and protect its profits fully, it should include the credit manager in the so-called feasibility study."

Questions for Credit Manager

The credit manager also has a new burden of responsibility as he approaches a more automated business world. He must ask himself some hard-headed questions such as:

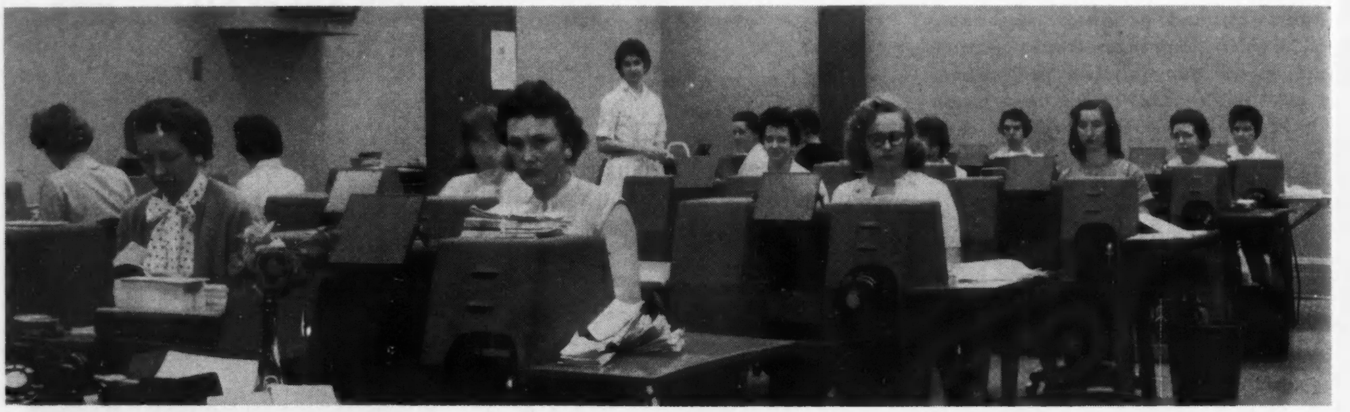
- How much information on past customer experience is needed?
- Is too much reliance placed on historical information rather than on current information?
- How up-to-date must be current accounts receivable information?
- How necessary is daily posting of invoices?
- Could a greater number of accounts be assigned for automatic approval?
- Could some of the decisions now made by credit men above the clerical level become a part of clerical routine, thereby freeing the credit man for more important work such as statement analysis, study of risk, closer contact with customers and sales departments?
- To what extent can collection procedures be made routine and mechanized?
- Are exact figures necessary in reports, or can approximations be as effective?
- Is exact information on high credit less important than manner of payment?

Although it is constantly said, it cannot be repeated too often—every business transaction is a story of human decisions and actions. Credit appraisal remains peculiarly a human affair, as it has been from the first mercantile transaction in which one man sold goods or services to another in exchange for a promise to pay later. Credit management needs the complete story of how a prospect or customer has paid in the past, if reasonable trust is to be placed on his paying in the future. Credit managers must assure themselves that machines will serve this function and purpose. They must see to it that machines serve, not destroy, credit management's capacity to make sound credit decisions.

U. S. Will Not Be "Starved" for Credit to Add Output: Reierson

Expecting "the inflow of new savings in 1960 to be not significantly different from that of 1959" and that commercial banks will be able to satisfy "a further sizable expansion in loans during the year", there is "little danger that the economy will be starved for credit to finance a further growth in real output", the Joint Economic Committee of the Congress was told by Dr. Roy L. Reierson, vice president Bankers Trust Company of New York.

EDP Expedites Ledger Coverage of $50 Million Corporation's 93 Units



BATTERY of 15 Remington Rand Punches is used to prepare the punched cards needed in the extensive electronic data processing program at Home Finance Group, Inc. A job of unusual complexity and scope handled by this means is the maintenance of a general ledger and the production of profit-and-loss statements covering a total of 93 subsidiary companies.

MAINTAINING a general ledger covering a total of 93 subsidiary companies, plus handling all of the other accounting and financial reporting requirements of a $50 million consolidated corporate operation, has become a smooth routinized job through properly planned electronic data processing methods at Home Finance Group, Inc., Charlotte, N.C.

F. A. DOW

"A complicating factor in our case," notes Fred A. Dow, data processing manager, "has been the unusually heavy growth of our company founded by J. E. Burnside only 16 years ago, as Home Finance Company of Greenville, S. C., Inc. (now a subsidiary of Home Finance Group, Inc.).

"Six additional offices were opened in 1944. Each was separately incorporated under the name of Home Finance Company, and was capitalized in the same manner as the Greenville unit. In most cases, the stockholders were the same.

"Early in 1946, after expansion had increased the number of offices and corporations to twelve, Mr. Burnside became aware that greater central control over his mushrooming enterprise was needed. He recommended to the board of directors that a parent company be created, under which all 12 corporations could be consolidated without losing their corporate individuality. Thus Home Finance Group, Inc., became a legal entity in June 1946. In the intervening 13 years, the number of subsidiary corporations has increased to the present total of 93, four of which are insurance firms." Operations spread from North and South Carolina into Georgia, Tennessee, Virginia, West Virginia, and Kentucky.

There are now two loan divisions: Home Credit Company, which comprises the consumer loan divisions; and Home Finance Company which confines its activities to making loans secured by automobiles.

Of the four companies comprising the insurance division, two operate in the fire and casualty field, two in the life insurance area. The two fire and casualty corporations are South State Insurance Company, and Twin States Insurance Company, while those in the life field are East Coast Life Insurance Company, and Central Life Insurance Company.

"Dollars and cents being our stock-in-trade," notes Mr. Dow, "our electronic data processing operation consists essentially of maintaining an inventory of money by constantly keeping accounts receivable updated.

"The biggest task under this requirement is maintenance of a general ledger and the production on a strict monthly basis of profit and loss statements covering each of the present 93 corporations. Our Data Processing Department, which occupies 3,410 square feet of floor space, is considered to be one of the most modern and efficient."

It is equipped with a Remington Rand Univac 120 Punched-Card Electronic Computer, four alphabetic Tabulators, three Collators, two alphanumeric Electronic Sorters, and two Multi-Control Reproducers. This equipment is operated with a staff supervisor and nine machine operators, each of whom has functional responsibilities and uses all equipment as required. Other peripheral machines include 15 Punches and one Automatic Verifier. Personnel-wise, the Punch Section consists of a staff supervisor, two correction operators, and 14 Punch operators.

"In our important general ledger operation the Data Processing Department receives from each subsidiary corporation, or branch, a detailed daily statement showing every purchase, every liquidation, and every disbursement negotiated. All of these data, punched in detail as soon as received, are made immediately available for machine processing.

"Certain subsidiary accounts, such

as dealer reserves, deferred certificates, accounts receivable, and losses and recoveries of bad debts are maintained in detail on a monthly basis. From these, trial balances are electronically produced for analysis purposes.

"Also on a monthly basis all general ledger control accounts are itemized in detail, showing all transactions, to establish the current status and give us previous month and prior year comparisons.

"Producing the required 93 individual profit and loss statements each month consists essentially of electronically summarizing the data used in, and produced by, the procedures outlined above.

"Although the Univac 120 and its peripheral equipment perform the computations and print-outs required with electronic speed and accuracy, the results and production rate obtained require exceptionally close coordination of the work schedules of all Home Finance Group departments and officers, as well as of the various subsidiary corporations involved.

"All of this has been perfected to the point where the individual profit and loss statements are completed and available to everyone concerned by the 10th calendar day — usually the seventh or eighth working day — of each month. As a result, our Accounting Department is now able to complete a reconciliation of all accounts and companies, and to produce a final consolidated statement for our top management group, by the 15th calendar day of each month," Mr. Dow points out.

"Other information compiled through the system includes volume, liquidations, gains, losses, trends, financial facts, etc., from which we compile a wide variety of monthly, quarterly, semi-annual, and annual reports, many of which are statistical in nature and of great importance to management.

"Payroll processing, which requires highly complicated overtime computations and involves a wide variety of deductions, is handled from start to finish on the Univac System. On it also are maintained personnel records which, in our case, tie much closer into the payroll than is usual. Monthly accountability of major health and hospitalization plans, for instance, is tightly tied into the payroll. Complete cost ratios are also maintained on the system.

"Still another of its functions is the maintenance of accurate shareowner records. Complete accountability for all outstanding stock is yet another. Our Tabulators, operating from a shareowner name and address

(*Continued p. 28, bottom col. 1*)

HEART OF HOME FINANCE GROUP'S data processing system is this Remington Rand Univac 120 Punched-Card Electronic Computer. Speed of the system in the performance of the many computations involved in the company's data processing work has greatly accelerated the issuance of profit-and-loss statements covering all 93 subsidiaries.

Guides to Improve Executive Operation

KEEPING INFORMED

GREEN GUIDE, 1960—Contains nearly 20,000 separate appraisals on 800 models of new and used construction equipment. Pocket-sized handbook was developed over a five-year period by specialists. Information on each model includes new replacement cost, average wholesale and retail value by age. 325 pages. For subscription rates and details, write Pacific Appraisal Co., San Carlos, Calif.

PROFIT PLANNING AND CONTROL, 80-page manual for top management of banks, systematizes the development of profitable banking operations. Emphasis is on organizational rather than divisional thinking. Step-by-step procedures are included. $3 to members, $6 to nonmembers, of NABAC, the Association for Bank Audit Control and Operation, 38 So. Dearborn St., Chicago 3, Ill.

CALIFORNIA MANAGEMENT REVIEW, Vol. II, No. 1, Fall 1959 contains three articles of special interest on current management subjects by members of the University of California faculty: "The Changing Market for Tax Exempt Bonds," by W. L. Crum; "What Is Appropriate Public Policy for Profit Renegotiation?" by Sumner Marcus; and "The Battle over Proprietary Interests in Defense Contracts", by Harold C. Petrowitz. $2.00 single issue.

STUDY OF THE PROBLEMS OF SMALL BUSINESS — 25-page booklet analyzes a segment of this universal topic under the title "Service Station Starts in Kalamazoo, 1957-1958." Reasons for going into business, financial, management and competitive factors are touched upon. Single copies free. W. E. Upjohn Institute for Employment Research, 709 S. Westnedge Ave., Kalamazoo, Mich.

Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.

To expedite receiving booklets described below in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 44 East 23rd St., New York 10, N. Y.

EFFICIENCY TIPS

834—"Modern Moving" by land and air, of personnel possessions, office fixtures and electronic equipment, export shipping and packing, are types of general and specialized services described in illustrated leaflet of The 7 Santini Brothers.

▼

835—Danco "Sterile Telephone" for office and home is described in free literature.

▼

836—"Cold Facts about Check Fraud" leaflet of Applied Research Corp. points out in text and illustration some of the methods of wily check cheats and how to guard against them.

▼

837—"Select-O-Matic Office Systems Guide" of Cormac Photocopy Corp. lists some 400 office copying applications as a result of which extensive savings in time and money may be realized. Free.

▼

838—Profusely illustrated catalog of "Vertical and Roll Filing Systems" is available from Plan Hold Corp.

▼

839—Ways in which Verifax Copiers can streamline purchasing-receiving operations is subject of 4-page illustrated leaflet of Eastman Kodak Co., which also outlines a system based entirely on Verifax copying.

▼

840—Catalog United States and Canadian Mailing Lists, 1960, contains 81 pages of group listings available from Fritz S. Hofheimer organization.

▼

841—How interchangeable type has provided Sylvania Electric Products with a universal typewriter keyboard is subject of illustrated case history published by Remington Rand. Ask for CH 1115.

BOOK REVIEWS

WHOLESALING — Third Edition, by Theodore N. Beckman, Nathaneal Engle and Robert D. Buzzell. 705 pages. Price: $8.00. The Ronald Press Company, 15 East 26th St., New York 10, N. Y.

• Managerial viewpoint and new concepts of wholesaling are emphasized in reflecting the many technological changes and growing recognition of professional and scientific management needs in the decade since the second edition was published.

New chapters are: "Productivity and Efficiency in Wholesaling," "Establishing a Wholesale Enterprise," "Financing a Wholesale Enterprise," "Stock Turnover and Merchandise Planning," and "Performance Measures and Standards."

Essentially a college textbook, the volume also has much of value for managements. The chapter on "Credit and Office Management" calls attention to the Credit Interchange Bureaus of the National Association of Credit Management and the "Credit Management Handbook" of the Credit Research Foundation, Inc.

Also Recommended

CASEBOOK OF SUCCESSFUL IDEAS FOR ADVERTISING AND SELLING.—Because selling is a part of the function of today's credit management, credit managers will find interesting reading in this compilation of experience-based selling ideas, presented in vigorous style by Samm Sinclair Baker. 258 pages. $3.95. Doubleday & Company, 575 Madison Ave., New York 22, N.Y.

LABOR-MANAGEMENT RELATIONS — By Charles Wiedemann. Management Science Series. 142 pages. $3.75. Reinhold Publishing Corp., 430 Park Ave., New York 22, N.Y. The management consultant has limited his discussion to specific steps a company may face in dealing with employees and labor unions. Model contract clauses are included in this reference guide for employer decisions.

Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your bookstore or direct from the publisher.

REMINDER!

Entries for the ANNUAL INSURANCE PLAQUE AWARD are due April 1st. Presentation is to be made at the 64th Annual NACM Credit Congress in St. Louis to that Association which has shown the most outstanding leadership over the past year in promoting among its members a wider knowledge and recognition of customer hazards and applicable coverages in their relation to sound credit management.

Address entries to: Awards Committee, National Insurance Advisory Council, National Association of Credit Management, 44 East 23rd St., New York 10, N. Y.

Commercial Credit Company's Earnings Up; Services Expand

Consolidated net income of Commercial Credit Company for the year 1959 amounted to $27,860,866 equivalent to $5.48 a share, compared with $26,802,391 or $5.29 a share for the year 1958. The 48th annual report of the company disclosed that, while combined income of its subsidiaries was up, the consolidated net income of its finance subsidiaries, after all charges, was $14,670,375 compared with $16,257,950 for 1958. Major factor accounting for this smaller net income was the pressure on the money market which resulted in an increase in the cost of borrowings.

Receivables outstanding at December 31 amounted to $1,720,834,360, an increase of 28.6 per cent over the previous year-end. Retail receivables amounted to $1,187,018,287, an increase of 27.4 per cent over the previous year-end. "These increases reflect the efforts made to furnish financial assistance to more consumers," chairman of the board Edmund L. Grimes pointed out.

The company's factoring subsidiary Textile Banking Company, Inc., had its most successful year in 1959, he said, and "the fleet leasing operations, conducted through our finance subsidiaries, now cover more than 19,000 passenger cars and trucks. A new service with headquarters in Baltimore but with facilities strategically located, has been established recently for the purpose of furnishing financing and leasing services to users of industrial equipment on a specialized basis."

The company in its role of "bankers for business" has repeatedly passed the $1-billion mark in employed assets since 1952, and attainment of a $2-billion volume mark by 1961 is envisioned by chairman Edmund L. Grimes, who noted that the groundwork for this growth has been laid, as reflected in the increase in long-term subordinated indebtedness. Subsequent to the end of the year the company increased its long-term indebtedness by two transactions: one involved the sale of $50 millions of 20-year unsecured notes to the public; the other resulted from the company placing $25 millions of subordinated notes with an institutional investor.

Wider servicing of individual consumer business, expanding activity by its diversified subsidiaries, internal accounting and other changes which have increased efficiency with a proportionately smaller increase in personnel, were among some of the other factors noted. A profit-sharing plan for employees was established and in full operation in 1959.

Mutual Funds, Life Insurance Not Competitive, Agents Told

Mutual funds and life insurance are neither competitive nor is either an adequate substitute for the other, declared Edward B. Burr, chairman, insurance relations committee, National Association of Investment Companies, addressing the Agents Forum of the National Association of Life Underwriters, at the latter's convention in Philadelphia.

Mr. Burr, executive vice president, The One William Street Fund, Inc., said the average family ownership of life insurance at the end of 1958 was but $11,000, only $7,260 if group and creditor coverage were excepted. He added that only 12 million persons own any common stock, including 2 million owning mutual funds.

Ohio 31st Fair Trade State

Ohio's new Fair Trade Law is now in operation but is expected to be challenged in the courts. Of 31 states now having Fair Trade, 18 state supreme courts have declared their laws constitutional.

NOTE!

The Editorial and Advertising Offices of Credit and Financial Management Magazine are now at the new headquarters address of the National Association of Credit Management:

44 East 23rd Street
New York 10, N.Y.

The above is the new address of all NACM service corporations, Credit Research Foundation, Inc., the Commercial Claims Division, Credit Interchange Bureaus, and The National Institute of Credit.

All editorial and advertising communications and material for the magazine should be directed to the new address.

American Credit's Premiums Set Dollar Record in Year

American Credit Indemnity Company, which writes credit insurance for business generally, wrote the largest dollar amount of premiums in its history in 1959. Combined operations of the insurance companies of Commercial Credit Company, parent concern, showed a net income of $9,763,635, compared with $7,906,844 in 1958. The company headquarters are in Baltimore.

Insatiate Squandermaniacs Want "Blisters on the Boom"

A "bridgehead against squandermania" has been erected, but the war is yet to be won, says Frederick H. Mueller, secretary of commerce.

Now, "squandermaniacs" are reforming their ranks with "a new war-cry for government to spend the way to forced-draft economic growth", Mr. Mueller told the Wisconsin State Chamber of Commerce. "Not satisfied with record prosperity, they want blisters on the boom. Impatient with sustainable growth, they want to use the dope needle of loose credit and deficit-spending to spur artificial growth.

"We shall continue a fiscal policy that opposes runaway credit expansion."

Individuals to Pay Most

Individuals will contribute more than half ($38.6 billions) of the nation's $69.1 billion net budget revenue this year, says the Economic Almanac for 1960, issued by the National Industrial Conference Board.

Modernizing the Office

New Equipment to Speed Production and Reduce Costs

File-with-a-Brain

669 SELECTRONIC RECORD FILE of Mosler Safe Company provides instant access to any one of 200,000 cards. To find a card, clerk simply touches proper button, Selectronic keyboard directs rotation of trays and brings proper card to operator in less than 3 sec., maker notes. Unit is designed to house any size card and present cards can be transferred to the file directly without need for retyping. Trays may hold records of different sizes. File takes 84⅝" x 39¾" floor space; can be plugged in for immediate use.

Effective Walls

670 Pleasing effect of woodgrain paneling is provided by plastic-surfaced hardboard MARLITE RANDOM PLANK PANELING of Marsh Wall Products Inc. Planks can be put up over old walls, other solid backing

or furring strips. Baked melamine plastic surface is resistant to stains and mars, requires no further painting or other protection after installation, and is cleanable with a sudsy cloth, says maker. Shallow decorative grooves divide the 16" wide planks into attractive random-width strips. Product is available in six woodgrain finishes.

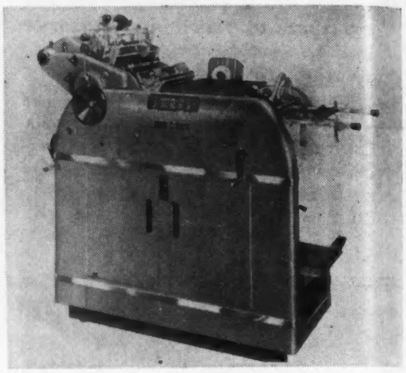
Printer-Calculator

671 EVEREST "M4" 10-key Electric Printing Calculator of Alma Office Machine Corporation combines a number of timesaving, error-preventing features. Decimal point in the quotient is positioned off automatically and prints clearly on the

tape, eliminating any need to draw guide lines. Fully automatic division from one keyboard, fully automatic multiplication, automatic visible credit balance and automatic total clearance are other advantages. Tape shows all factors; totals, subtotals in red. Capacity is 11 x 11; A.C.-D.C. motor.

This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Please address MODERNIZING, Credit & Financial Management, 44 East 23rd St., New York 10, N. Y.

Takes Over Duplicating



672 "Automatic Sequence Control" incorporated in Model 2550 Multilith Offset Duplicator of ADDRESSOGRAPH-MULTIGRAPH CORPORATION automates production all the way from conditioning the master with ink and moisture to turning off the unit at the proper count and in position for high-speed master changing. The A.S.C. system leaves 65 per cent of the operator's time free for related clerical tasks. Control panel allows for programming flexibility.

New Accounting Machine

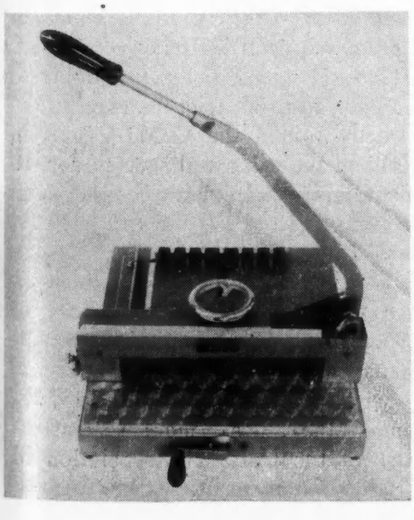
673 One of three new accounting machines introduced by Smith-Corona Marchant, the ACCOUNTANT offers "full program automaticity" for the handling of complex systems of payroll writing, wage accrual, accounts payable, cost accounting, general ledger. Interchangeable multiprogram control board permits maximum flexibility in program planning. Special keys allow operator to select registers directly, switch programs. Wide carriage, two sets of ribbons, split platen are featured.

Speeds Office Mail

674 Automatic postage accounting and postage protection, neatness and greater speed in getting out the mail are benefits now available to the small office with the Model 5500 desk-model Postage Meter Machine recently introduced by PITNEY-BOWES, INC. Unit seals, stamps and stacks letters in one operation. Meter of the Model 5500 permits fingertip selection of any denomination of postage from ½ cent up to $1.09½ in a single stamp. Meter stamp can be printed directly on letters or on gummed tape for parcelpost. Standard equipment includes carrying case, envelope stacker and parcel-post tape dispenser.

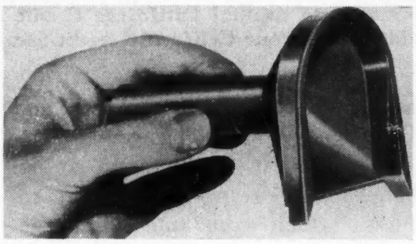
Professional Cutting

675 Embodying advantages of larger paper cutters, the TRIUMPH Manual Paper Cutter of Michael Lith Sales Corporation has easy-to-handle side guide and back gauge which insure professional cutting and trimming by office personnel. Particularly useful for reproduction jobs or with electronic bookkeeping systems requiring ledger-statement sheet cutting. All-metal frame construction, front wheel calibrator for precision cutting, portability, simple and safe operation are other features of the device, which is available in two sizes: 14" and 18".



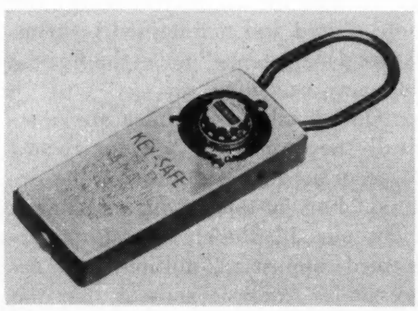
Coin Counter-Packager

676 Cut down considerably on time needed to count and package coins accurately with the easy-to-use COLOR-KEYED COIN TUBE KIT of Block & Company, Inc. Designed for use with flat tubular coin wrappers, each funnel-top tube comes in its own standard bank color (red for pennies, blue for nickels, green for dimes, orange for quarters) and is precision-molded of unbreakable Polyethylene, clean and pleasant to use. Ask for brochure FM-MM-10.



No More "Lockouts"

677 With the KEY-SAFE device of The Malloy Company you can keep keys safely locked up at any site and eliminate the need for duplicate keys. Stoppages caused by lost keys or by the absence of personnel having important keys are thus prevented. Only authorized persons can have access to keys. Key is located in a compartment in the KEY SAFE, which opens when the combination is used. Device can be used on file cabinets, doors, tool boxes, equipment lockers.



Neater Record Storage

678 Semi-active and dead storage records now can be as neat and well organized as active files with a standardized system using Tandem Storage Files of BANKERS BOX COMPANY. Fast and easy accessibility to stored materials, visible identification system for all containers, and reclamation of valuable floor space are among benefits. No steel or wood shelving is used. Because stacking shells interlock vertically and horizontally, forming rigid batteries of files, all the weight is carried on steel supports.

Doubles Typewriter Use

679 Electric typewriters now can be used at will as either pressure or tractor feed with FLEXIBLE FORMA-LINER device of Moore Business Forms, Inc. Lightweight attachment snaps on and off permanently-mounted plates on either side of typewriter carriage, permits use of any electric typewriter to prepare continuous marginal punched forms.

ROBERT W. DORMAN, director of training, Transport Indemnity Co., Los Angeles, is shown demonstrating a point on the blackboard to members of group "D" at the Sixth Annual California Credit Management Workshop in Santa Barbara sponsored by NACM's Credit Research Foundation and four California credit associations.

California Credit Workshop Sets New Attendance Mark

A new attendance record was set by the Sixth Annual California Credit Management Workshop when 57 credit executives from 12 California cities and Salt Lake City gathered at Santa Barbara's Biltmore Hotel for three days of guided discussion.

The Workshop was sponsored by the Credit Research Foundation of the National Association of Credit Management in cooperation with the Credit Managers Association of Northern and Central California, the Credit Managers Association of Southern California, the San Diego Wholesale Credit Men's Association, and the Wholesalers Credit Association of Oakland. W. P. Layton, NACM educational director, had charge.

The subject, "Customers—Your Most Important Asset," was introduced by the following leaders:

Dick Carlson, president, American National Growers Corporation, Los Angeles; Robert W. Dorman, director of training, Transport Indemnity Co., Los Angeles; C. Lloyd Thorpe, employee relations manager, Guy F. Atkinson Co., San Francisco; and Gerald O. Wentworth, professor of accounting, Graduate School of Business, Stanford University.

EDP AT HOME FINANCE

(Concluded from page 21)

punched-card deck, are used to address proxies and other material.

For the insurance companies, the Univac 120 system maintains complete records of all premiums and losses, keeps a running record of reserves which must be recapped by state and type of insurance, and writes necessary insurance commission checks. It functions in a like manner with respect to refund receipts, which constitute a chargeback of the premium.

The punched cards created for these procedures are subsequently used to produce periodic actuarial studies, analyses of types of insurance, tax summaries for city or county, taxes on premium written and graduated grouping, various compilations required by state banking commissions, questionnaires requested by banks and various reporting agencies, etc.

"The rigid maintenance of schedules within the Data Processing Department accounts for much of the success which has been inherent in its operation. All of which is to say that we do not agree schedules cannot be used and maintained by tabulating departments," notes the finance company executive.

"Our deadline schedules are practically never relaxed, yet our record of accuracy leaves nothing to be desired. For instance, during March 1959 our 14 Punch operators performed almost 22-million key depressions. Analysis showed that the percentage of error in this area was only .0130. Card volume during that period totalled 419,047 and the percentage of error in them was only slightly higher — .0132.

"Also contributing are good procedures and instructions for operators to follow on a functional basis. A final ingredient we believe to be absolutely essential is close coordination within the Data Processing Department, as well as between it and the various other company elements interested in the faster and more accurate control of an overall operation," Mr. Dow reports.

Louette Heads Quebec Unit of Canadian Credit Association

Phillip H. Louette has been appointed manager of the Quebec Division of The Canadian Credit Men's Trust Association Limited and assistant bursar of The Canadian Credit Institute. Mr. Louette's advancement from assistant manager of the Division followed the death of Charles P. Dumas (CFM February).

P. H. LOUETTE

Mr. Louette, born and educated in Montreal, was graduated as Associate of the Institute in 1952 and was awarded a bursary in salesmanship.

After periods of business experience with The Canadian Bank of Commerce, Dun & Bradstreet of Canada, Ltd., and Procter & Gamble of Canada, Ltd. (district manager), Mr. Louette joined the CCMTA staff in 1952 in the sales and service department, and was Industry Credit Group secretary. In 1955 he was named sales and service manager, and he established an association branch office in Quebec City. In January of 1958 he was appointed assistant manager of the Province Division.

Mr. Louette in 1956 and 1957 attended the Sales School (Evanston, Ill.) of the National Association of Credit Management.

Canada's 50th Anniversary Gathering In Winnipeg to Draw Noted Speakers

MANY speakers of international name will address Canada's 50th Anniversary National Credit Conference in Winnipeg June 19th to 23rd. A large attendance from all over North America is expected. The theme is: "Canada's Economy—Credit Management's Challenge".

The Winnipeg conference, the only wholesale credit gathering in Canada this year, is being sponsored by The Canadian Credit Men's Trust Association Limited.

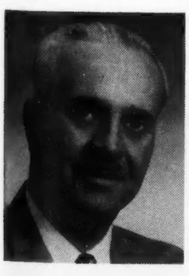
Among the speakers will be W. H. Evans, president of Honeywell Controls, Ltd., and president of the Canadian Manufacturers Association; Edwin B. Moran, executive vice president National Association of Credit Management, New York; Dr. John H. Furbay, courtesy General Motors, Detroit; Dean E. C. MacPhee, director School of Commerce, University of British Columbia; F. G. Emrick, vice president Schleh Associates, Inc., Minneapolis; Jean Edmonds, Canadian financial writer and contributing editor to *Financial Post*; R. W. Keyes, director Payne-Ross Ltd., management consultants, Winnipeg; and W. J. Habkirk, general credit manager British American Oil Co., Ltd., Toronto, and president of the American Petroleum Credit Association.

The comprehensive program includes Industry Credit Group meetings, top level panel discussions, a credit women's luncheon, and a special program for wives of delegates, besides general evening entertainment.

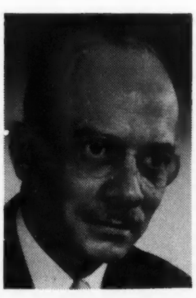
Conference headquarters will be the Royal Alexandra hotel, adjacent to the Canadian Pacific railway station. Other centers of activities will be the Fort Garry and Marlborough hotels.

Greater Winnipeg is the fourth largest city in Canada and is the leading industrial and agricultural center of the three prairie provinces. St. Boniface Basilica, made famous by Whittier's poem "The Red River Voyageur", stands on the site of the first Roman Catholic church in western Canada.

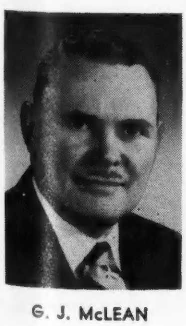
Merle W. Osborne of Canadian General Electric Co., Ltd., Toronto is CCMTA president; Eric T. C. Burke, general manager of the association (now in new headquarters offices at 6 Crescent Road, Rosedale, Toronto 5, as is The Canadian Credit Institute). G. J. McLean of Winnipeg is general conference chairman. Norman F. Ramsay is manager of the Winnipeg division, host association.



M. W. OSBORNE



E. T. C. BURKE



G. J. McLEAN

N. F. RAMSAY

Nicaragua Tops Credit and Collection Ratings in FCIB Latin-America Poll

NICARAGUA ranked first in both credits and collections in the 63rd semi-annual survey by the Foreign Credit Interchange Bureau of the National Association of Credit Management. The study was of commercial credit and collection conditions in Latin-American markets in the last six months of 1959.

Closely following Nicaragua in relative ratings were British and French possessions, Surinam and Netherlands Antilles, Panama and Puerto Rico.

Seven countries improved their credit position but 15 lost points. In this category Bolivia showed the most outstanding performance with a gain of 62 points, stepping up from the "Poor" credit classification to "Good".

Paraguay gained 32 points, Uruguay 25, Colombia 9. Cuba again dropped 28 points, Ecuador 27, Honduras 21, El Salvador 18, Venezuela 10 points.

Eight Improve Collection Rating

In collections, eight countries showed higher ratings, five remained unchanged, 11 dropped pointagewise.

Bolivia also led the way in improved collection rating, with a gain of 27 points. Paraguay was second with 16 points, Uruguay a close runner-up with 14 points. Cuba fell back also in collections, off 16 points, and Ecuador lost 13.

In lines of credit established in the last half of 1959 as compared with 1958, changes again in general reflected the trend of collection experiences. "More liberal" lines were being granted in improved or prompt-pay markets; a tightening was reflected in reports from areas in which pay performance was proving unsatisfactory.

"More Liberal" in Three States

In this survey "More Liberal" terms were stated by 24 per cent of the members on their business in Bolivia, 14 per cent in Uruguay, 13 per cent in Paraguay. "Less Liberal" lines were set by 36 per cent of the members for their customers in Cuba, by 10 per cent in Ecuador, Honduras and Venezuela, and by 8 per cent in Panama.

Overall, on credit conditions, the 329 American manufacturers and exporters contributing to the study rate 18 Latin-American countries "Good", 5 "Fairly Good", and one as "Fair".

Collection-wise, 18 markets were classed as "Prompt", 5 "Fairly Prompt", one "Slow".

One formula for success: Don't quit looking for work after you've found a job.
—Changing Times

Program Cued to Emphasize Timeliness Is Readied, Credit Congress Records Are Now Up to YOU

By FRANK W. RIES
Credit Manager
The R. J. Brown Co., St. Louis, Mo.
Publicity Chairman
64th Annual Credit Congress

WITH letters of acceptance now in hand from all who will participate in the formal speaking programs of the plenary sessions at the 64th Annual Credit Congress, Arthur F. Gerecke, program and speakers committee chairman, announces that everything is in readiness for the delegates to the convention, May 15th to 19th in St. Louis.

"Timeliness" has been the underlying consideration from the beginning in selection of individual and panel topics, and the speakers to present them. This applies not only to areas of personal and economic problems, which will be emphasized by such nationally known speakers as Dr. Kenneth C. Price, heart specialist, whose address, "Fat or Friction," has received national acclaim, and Dr. Charles Franklin Phillips, but also to reaching into new "frontiers" for ideas and plans that the credit executives can apply to everyday operations.

Dr. Phillips, discussing "A Look Ahead with Our Economy," will speak on Thursday morning, May 19. He brings vast knowledge and experience to the rostrum.

In September, 1944, he became president of Bates College, Lewiston, Maine, after having received his A.B. from Colgate University, 1931; Ph.D. in economics, Harvard University, 1934, following study at Harvard Graduate School of Economics and Harvard Graduate School of Business Administration. He also had taught economics at Hobart College, 1933-34, and at Colgate University, 1934-41.

In World War II Dr. Phillips was in Washington with the National Defense Advisory Commission and the Office of Price Administration. In May, 1944, he was appointed deputy administrator for rationing and placed in charge of all rationing in the United States.

National and State Offices

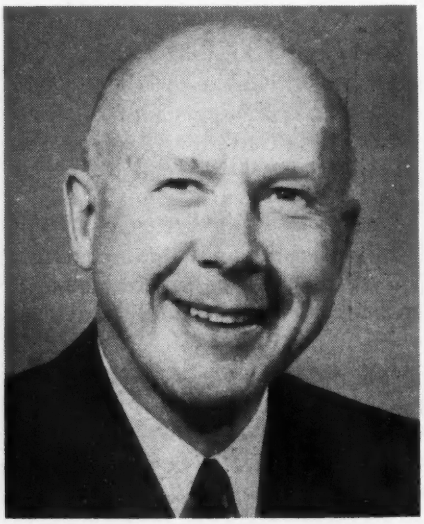
He is on the business policy committee of the National Planning Association and the state executive committee of the Maine Y.M.C.A.; a director of Central Maine Power Company, The Union Mutual Life Insurance Co., Bond Stores, Inc., Diana Stores Corp., W. T. Grant Co., and The Sperry and Hutchinson Company. In 1950 he served as chairman of the Maine tax revision committee and from 1956 to 1958 was chairman of the publications policy board of the American Marketing Association. Currently he is president of the New England Council.

During the winter of 1953-54 he was in India and Pakistan on a United States State Department mission and in 1956 he participated in an international economics conference at Zurich, Switzerland. In 1957 he made two trips to Puerto Rico to develop a tax revision program for the Commonwealth. In February, 1958, he appeared before the ways and means committee of the U.S. House of Representatives, on tax revisions.

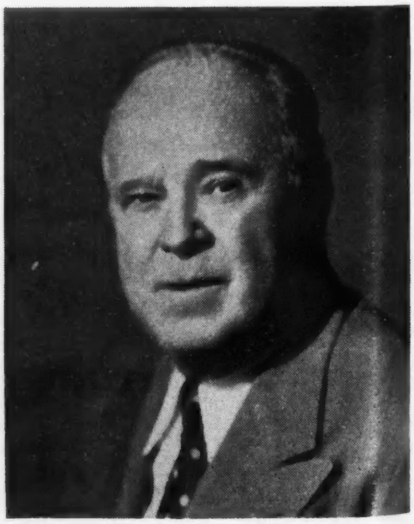
He has received honorary degrees from Colgate University, Colby College, Bowdoin College, Northeastern University, University of Maine, Western New England College, and Nasson College.

Dr. Phillips is author, co-author or editor of several books, including *Marketing* (1938), *Government Spending and Economic Recovery* (1938), *The American Neutrality Problem* (1939), *Retailing: Principles and Methods* (1941, revised 1947, 1951, 1955, and 1959), *Marketing by Manufacturers* (1946, revised, 1951), *Marketing: Principles and Methods* (1948, revised 1952, 1956, and 1960), *A Tax Program to Encourage the Further Economic Growth of Puerto Rico* (1958). He has written articles for such publications as the Harvard Business Review, Advertising and Selling, Jour-

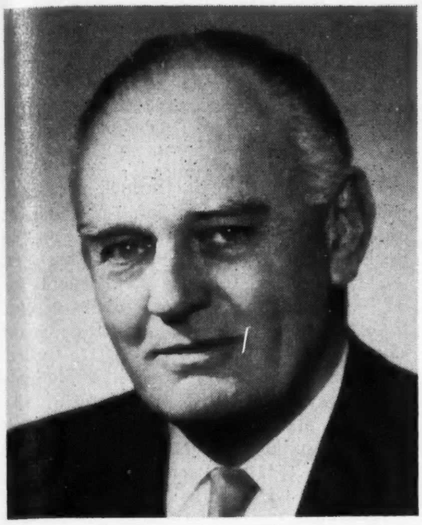
William F. Schroer



Charles S. Thomas



Arthur K. Atkinson



J. W. McAfee

Dr. C. F. Phillips

nal of Marketing, Printers' Ink, American Economic Review, Survey Graphic, Journal of Business of the University of Chicago, the Annals of the American Academy of Political and Social Science, Association of American Colleges Bulletin, College and University Business, School and Society, and Reader's Digest.

The Thursday morning plenary session also will introduce a new type of speaker presentation when, in "Meet The Press" style, J. W. McAfee will be interviewed by newspaper reporters assigned to the Credit Congress.

Graduate of the University of Missouri Law School in 1926, Mr. McAfee was admitted to the Missouri Bar that same year and became a member of the law firm of Holland, Lashly & Donnell in St. Louis.

From 1933 to 1935, he served as a special tax counsel for the City of St. Louis. He was elected judge of the circuit court in St. Louis and served until 1937, when he reentered private law practice in the firm of Igoe, Carroll, Keefe & McAfee.

Since 1941 Mr. McAfee has been president of Union Electric Company of Missouri. From 1951 to 1955, he served as president of the North American Company of New York, which for many years owned the common stock of Union Electric. When the North American Company was dissolved, its 45,000 stockholders became the direct owners of Union Electric Company. He is a director of Electric Energy, Inc., formed in 1950 by Union Electric and four other companies to build the 937,000 kilowatt power plant to supply half the electricity for the atomic energy project near Paducah, Ky.

Mr. McAfee is chairman of trustees of Barnes hospital, chairman Municipal Theater Association, a director of American Insurance Co., American Central Insurance Co., Anheuser-Busch, Inc., General American Life Insurance Co., St. Joseph Lead Co., and St. Louis Union Trust.

William H. Blake, executive vice president of the National Retail Credit Association, will present greetings of that credit organization to the NACM members at the Wednesday forenoon plenary session.

An outstanding panel discussion, "Transportation's Future and Its Effects on Our Economy" (Feb. CFM), will be headed by William F. Schroer, assistant treasurer John Fabick Tractor Co., as moderator. Members of this panel are:

Charles S. Thomas, president Trans World Airlines, Inc.;

Arthur K. Atkinson, chairman of the board, Wabash Railroad;

Welby M. Frantz, president American Trucking Associations, Inc.

Questions from the floor will be answered by the panelists.

Applying the same energy and vision to air transportation which achieved a successful career in business management and government service, Charles S. Thomas has brought Trans World Airlines to the forefront internationally since he became president in July 1958. He is also a director of TWA.

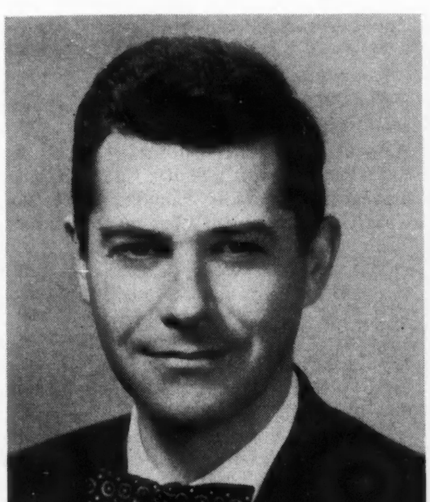
Mr. Thomas has guided Trans World through the intensive transition into the jet age of commercial air transportation. In the first nine months of 1959, TWA reported record-breaking revenues and an all-time high traffic volume of 4,393,000,000 revenue passenger miles.

Mr. Thomas was Secretary of the Navy 1954-57 after a year as under secretary. In the newly created office of assistant secretary of defense for supply and logistics, he developed the Department's logistics program.

In World War II he was special assistant to Secretary James V. Forrestal, and was in charge of all procurement of naval aircraft. Later he established the Navy's inventory control program.

Arthur K. Atkinson in 1909 began as office boy with the Denver & Rio Grande Railroad Company (now Denver & Rio Grande Western Railroad Company). He advanced through various positions in the auditing department to traveling ac-

(Concluded on page 38)



Professor A. W. Mason, Jr.

Hugh A. Logan

PROGRAMS OF NACM INDUSTRY GROUP MEETINGS

A PERIOD of recovery is expected to prevail at least through the first half of 1960, but whether the economy is in a state of recovery, recession, depression or prosperity, the exchange of credit management knowledge is of utmost value to alert credit executives.

The programs for Industry Meeting Day at the 64th Annual Credit Congress in St. Louis on May 17th, indicate that a comprehensive review of practically all phases of credit management will be covered. Case histories will be presented, and capable professional people will speak on timely subjects to those attending various Industry Groups' sessions.

Review the details of your Industry Meeting program now, and plan to attend. For your convenience, they are listed herewith.

Advertising Media

Morning session: Two open forum discussion periods.

Discussion leader for the first forum session is Clifford C. Scherer, Houston *Post*, KPRC, KPRC-TV. Subjects: "Are Major Changes Coming in the Newspaper and Radio-TV Industries? How to Prepare for Them?"; "Good Credit Relations through Good Bookkeeping and Prompt Adjustments"; "High Mechanical Costs of Late Copy and Violations of Advertising Deadlines"; "Are There Advantages If the Credit Manager Is Responsible for Credit, Billing, Bookkeeping, Adjustments and Collections in Large Newspapers and Radio-TV Stations?"; "Differences in Credit and Collections in Radio and TV as Compared with Newspapers".

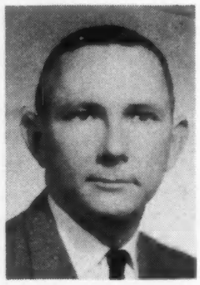
Second forum discussion leader: Miss Marie Louise LaNoue, New Orleans *Times Picayune*. Subjects: "Today's Advertising Agency Situation; (a) New Crop of Agencies Locally and Nationally; (b) Increasing Number of Socalled 'Agencies' Created to Get a 15 Per-Cent Discount; (c) What Do You Do with Delinquencies of Large High Credit Agencies"; "Do Our Credit Policies and Practices Differ from Those of Other Industries?"; "Secret Assignments by Debtors to Attorneys Often Result in Dissipation of Firm's Assets before Creditors Are Informed"; "Local Advertising Media Groups Are Valuable in Any Community. Take The Competition out ot Credit and Put It into Sales Where It Belongs"; "Are Credit Limits Practical in Our Industries?"

Special feature: "Ask Me Another!" Larry Sullivan of the Des Moines *Register* and Art Gerecke of the St. Louis *Post-Dispatch* will interrogate each other. To be followed by general discussion.

Afternoon open forum discussion periods:

James M. McDaniel, Indianapolis *Star & News*, will lead discussion on (1) "Credit Investigations—(a) Reporting Agencies, Credit Interchange, Local Media Groups, Personal Checking, Bank Contacts, ANPA; (b) Do You Actually Check and Establish Credit or Take All Accounts Not Owing You?"; (2) "Salesmen's Orders or Other Forms of Notifying Credit Department of All Placements Scheduled"; (3) "New Methods and Ideas in Credit and Collection Procedures"; (4) "Do You Agree to Settlement of Past Due Accounts in Hands of Attorneys, Accounts Which Have Been Assigned or Those Not Sent Out for Collection—(a) Do You Ever Pass Up Collection of a Short Rate?"; (5) "Are You Using Time Saving Equipment in Your Department?"

J. J. WENSTRUP



T. W. McLAUGHLIN

Discussion leader: Paul Reitz, CBS—KMOX, St. Louis. Subject: "Special Problems in Radio and Television Accounting, Credit and Collections".

Discussion leader: Victor K. Weberg, *Rocky Mountain News*, Denver. Subject: "Transient Billing and Collections".

Summation: "In Retrospect"—Thomas J. Adams, New Orleans *Times Picayune*, and Gilbert W. Sites, Los Angeles *Times-Mirror*, vice president NACM Western Division.

Industry luncheon guest speaker and subject to be announced.

Automotive

Three formal presentations in forenoon; round table discussion in afternoon.

Speakers and their subjects:

"Sales vs. Credit", Saul C. Belman, sales manager and credit manager Perfection Gear Co., Harvey, Ill. (For manufacturer). "Things Not Usually Done By The Credit Manager", Art Wolff, sales manager, and vice president National Auto Supply Co., East St. Louis, Ill. (For jobber).

"Your Credit Association—What You Should Expect from It", Richard L. Bishop, secretary-manager St. Paul Association of Credit Management.

Round table discussion leaders: Manufacturers—William Brockmeier, manager customer accounts McQuay-Norris Manufacturing Co., St. Louis; Jobbers—Joe Vallero, credit manager National Auto Supply Co., East St. Louis, Ill.

Topics: (1) "Credit Outlook for 1960-1961"; (2) "Terms of Sale—Methods of Enforcement—Terms Chiseling (Possible Revision)"; (3) "The Future—What Can We Do in Our Industry to Prepare for It?" (4) "Are the Present Policies of Our Industry Sound?"; (5) "Setting Credit Limits—How and Why?"; (6) "Collection Correspondence"; (7) "New Methods and Ideas in Credit Procedures"; (8) "Selling Marginal Accounts"; (9) "Finance Plans for Merchandise and Equipment Sales"; (10) "Legality of Warehouse Distributor Groups".

Joint industry luncheon with the Chemical and Allied Lines, the Drugs, Cosmetics and Pharmaceuticals, the Oil Field Services and Supplies, the Petroleum and the Photographic Manufacturers and Distributors Groups.

Guest speaker: James G. Conzelman, vice president D'Arcy Advertising Co., St. Louis, former coach Chicago Cardinals football team. Subject to be announced.

Bankers

Welcome by Arthur F. Boettcher, president Robert Morris Associates, and senior vice president The Boatmen's National Bank of St. Louis.

Forenoon speakers and subjects:

"Trend towards Electronics in the Banking Industry", F. G. Rodgers, manager banking and finance International Business Machines Corp., White Plains, N. Y.

"Leasing of Manufactured Products", W. W. Smith, manager credit and collection service Treasury Services Division, General Electric Company, New York.

Discussion following each presentation.

Afternoon: Tour of the new Chrysler Corporation plant, Fenton, Mo. Bus transportation provided.

Industry luncheon at 12:00 noon.

Brewers, Distillers and Liquor Wholesalers

Five formal presentations and an open forum discussion period.

Morning speakers and subjects:

"A Message from Your Association", H. S. Garness, executive manager Milwaukee Association of Credit Management; "Operations of the Bankruptcy Court and Relations of Referee to Creditor and Debtor", Fred Lauchli, manager of estates department, Adjustment Bureau, St. Louis Association of Credit Management; "Enforcement of Judgments and Related Subjects", Vourdon Fricke, attorney, St. Louis.

Afternoon speakers: "The Sales Manager's Experience with the Credit Department", Emmett J. Fleming, vice president and regional sales manager National Distillers Products Co., Chicago; "Shall We Charge Interest on Accounts Owing beyond Standard House Terms?"—speaking for: W. Stanley Ellison, credit manager The American Distilling Co., Pekin, Ill.; speaking against: Miss Carroll Klees, credit manager F. Strauss & Son, Inc., New Orleans.

Open forum discussion: "Here Are Some

Credit Problems—What Are Yours?". Discussion leader: Oscar F. Christman, Jr., general credit manager Falstaff Brewing Corp., St. Louis.

Discussion topics: (1) "An Under-Capitalized Business Is Doing an Excellent Sales Job on Your Product. Increasing Line of Credit, Beyond Established Limit, Is Required. How Do You Handle?"; (2) "How Reliable Are Reports from Sales Representatives? How Do You Determine Amount You Can Rely on Them?"; (3) "Should Credit Authority Be Decentralized? If So, to What Extent?"; (4) "Should We Give Planned Credit Instruction to Our Sales Organization? How?"; (5) "The Credit Manager's Visit to Customer; (a) Purpose?—Goodwill, Collection, Information, Auditing, Counseling—(b) Should He Take the Salesman with Him? —(c) Is Traveling by the Credit Manager Worthwhile?"; (6) "What Do You Do about Accounts Who Refuse to Furnish a Financial Statement?"

Industry luncheon at 12:15 P.M.

Building Material and Construction

Morning session panel discussion: "Construction Activity 1960". Moderator: Allan S. Barton, Cupples Company, St. Louis (manufacturers).

Panel members: Kenneth E. Wischmeyer, architect, AIA; David L. Millar, attorney, Stamm, Millar, Neuhoff & Campbell; A. R. Elsperman, contractor, G. L. Tarlton Constructing Co.; James R. Searles, Vice-President, Fidelity and Deposit Co. all of St. Louis.

Questions and discussion following each presentation.

Afternoon talk: "Retentions, Acceptance of NACM Proposition By AIA and Other Organizations", Glenn F. Ballard, Minnesota & Ontario Paper Co., Minneapolis.

Open forum discussion period: Coordinator: Clark R. Gittings, Gittings Lumber Co., Denver.

Group chairmen:

Manufacturers and Fabricators Group: (To be announced)

Wholesalers and Jobbers Group: (To be announced)

Dealers and Retailers Group: Roger C. Gifford, Ready-Mixed Concrete Co., Denver.

Short discussions on following subjects highlighting current trends and changes in procedure:

"Credit Appraisal in 1960": (1) "Possible Improvements in Credit Reporting (Credit Interchange vs Other Reporting Agencies)"; (2) "Possibilities in Developing Local All-Inclusive Construction Industry Groups"; (3) "Possibilities of Securing More Adequate Bank-Credit Department Exchange of Information"; (4) "How Much Should 'Tight Money' Adjust Your Credit Policy with Respect to: (a) Terms of Sale, (b) Past Due Interest, (c) Unearned Discounts, (d) Use of Outside Collectors?"; (5) "Importance of Credit Insurance in a Tighter Money Market".

"Problems of Credit-Sales Coordination in 1960": (1) "Percentage of Marginal Accounts Necessary in Competitive Market"; (2) "Use of Salesmen to Collect Effectively"; (3) "Performance and Payment Bonds—More Required This Year?"; (4) "How Do You Combat Competitive Easy Credit?"

Joint industry luncheon with Plumbing, Heating, Refrigeration and Air Conditioning Group. Guest speaker: Carl T. Arlt, assistant vice president Federal Reserve Bank of St. Louis. Subject: "Financial Aspects and Outlook".

Chemical and Allied Lines

Opening talk: "Credit Management Evaluation of Expansionitis", Merle T. Welshans, professor of finance, graduate school of business administration, Washington University.

Panel discussion: "Seasonal Dating—A Fact in Agricultural Chemicals—A Warning to Others": Moderator: W. N. McDonald, credit manager Hercules Powder Co., Wilmington. Panel members: Eugene Hughes, credit manager Olin-Mathieson Chemical Corp., Plant Food Division, Little Rock; Jess Luker, credit manager Chemagro Corp., Kansas City, Mo.; Lloyd Sinnickson, general credit manager American Cyanamid Co., New York.

Group participation problem: "What's on Your Mind?". Discussion leader: John J. Wenstrup, Goodrich-Gulf Chemicals, Inc., Cleveland.

Afternoon panel discussion: "Controlling the Unreasonable Debtor"—or—"Why Must We Give an Extra Sixty Days?". Moderator: J. R. Hughes, credit manager Spencer Chemical Co., Kansas City, Mo. Panel members: E. B. Nichols, E. I. du Pont de Nemours Co., Inc., Wilmington; J. A. Flood, credit manager Monsanto Chemical Co., St. Louis.

Panel discussion: "Customer Contacts—What Do I Do?". Moderator: W. J. Naber, Jr., general credit manager Monsanto Chemical Co., St. Louis. Panel members: William Busch, general credit manager Chas. Pfizer & Co., Inc., New York; Orrin Storholm, credit manager, Columbia Southern Chemical Corp., Pittsburgh; Richard Johnson, general credit manager B. F. Goodrich Chemical Co., Cleveland; Brad Knight, credit manager Shell Chemical Corp., New York.

Open forum discussion: Solutions: "What's on Your Mind?". Discussion leader: John J. Wenstrup, Goodrich-Gulf Chemicals, Inc., Cleveland.

Talk: "A Word from the Association", G. E. Lawrence, secretary-manager Dallas Association of Credit Management.

Joint industry luncheon with Automotive, Drugs, Cosmetics and Pharmaceuticals, Oil Field Services and Supplies, Petroleum, and Photographic Manufacturers and Distributors Groups. Guest speaker: James G. Conzelman, vice president D'Arcy Advertising Co., St. Louis, former coach, Chicago Cardinals football team. Subject to be announced.

W. H. KOKE

P. J. SANDRETTO

Confectionery Manufacturers

Joint morning session with Food Products and Allied Lines Manufacturers and Millers and Allied Lines.

Forenoon talks: "Economy of the 1960's and You", Dr. Carl A. Dauten, professor of finance and banking Washington University, St. Louis; "Operation Standards and Objectives of Sales Distribution Centers", E. W. Kelley, treasurer General Foods Corp., White Plains, N. Y.; "Teamwork between the Grocers' Association and the Grocery Manufacturer", J. C. Conreaux, president Associated Grocers of St. Louis.

Afternoon speaker and subject: "Know Your Association", Miss Ruth Davis, Knoxville Wholesale Credit Association. Question and answer period follows.

Panel discussion. Moderator: Miss Dorothy Muzynski, M. J. Holloway & Co., Chicago.

Panel members: Ward Lowe, Curtiss Candy Co., Chicago; Harry Christophersen, E. J. Brach & Sons, Chicago; Neil J. Cashman, Leaf Brands, Inc., Chicago; Gordon Fleming, Brock Candy Co., Chattanooga.

Topics: (1) "Terms of Sale—Methods of Enforcement—Terms Chiseling"; (2) "Methods of Reducing Old Accounts While Selling Currently"; (3) "Setting Credit Limits—How and Why?"; (4) "Salesmanship by the Credit Department—Collection Correspondence"; (5) "Using Salesmen as Collectors"; (6) "Selling Marginal Accounts".

Joint industry luncheon with Feed, Seed and Agricultural Suppliers, Food Products and Allied Lines Manufacturers, and Millers and Allied Lines Groups. Guest speaker: Alexander Henderson, executive director Gerontological Research Foundation, St. Louis (formerly with St. Louis Union Trust Company). Subject: "Ancient and Curious Wills".

Drugs, Cosmetics and Pharmaceuticals

Opening presentation: "Love That Credit Man", Gene K. Foss, marketing vice president Grove Laboratories, Inc., St. Louis.

Forenoon panel and open forum discussion. Subject: "Methods of Reducing Old Accounts While Selling Currently".

Moderator: Rollo S. Thurlow, secretary-treasurer Fox-Vliet Drug Co., Wichita. Panel members to be announced. Four-member panel, two representing wholesalers, two representing manufacturers; ten minute presentation each, followed by general discussion.

Afternoon credit management worktables. Chairman and moderator: J. W. Stickley, credit manager Plough, Inc., Memphis.

Table leaders and subjects: "How We Can Help Small Business", Daniel E. Weber, treasurer Davis Bros., Inc., Denver; "Credit-Sales Department Cooperation", Irene Harris, credit manager McKesson & Robbins, Inc., Milwaukee; "Establishing Credit Limits—Salesmen as Collectors —Foreseeing Sudden Bankruptcy"; H. J. Klein, credit manager Merck Sharp & Dohme, Philadelphia; "What Are We in the Credit Department Doing to Better Our Relations with Management and Our Customers?", D. J. Fogarty, credit man-

ager Grove Laboratories, Inc., St. Louis; "The Credit Man (His Position in the Company as Compared with Other Professions. What He Should Do to Raise His Standing and Position within His Own Company)" J. W. Stickley, credit manager Plough, Inc., Memphis.

General discussion of results at each worktable.

Open forum discussion period—"Special Credit Department Problems". Discussion leader: D. J. Fogarty, Grove Laboratories, Inc., St. Louis. Presented for discussion will be problems received by mail from credit managers and their associates.

Joint industry luncheon with Automotive, Chemical and Allied Lines, Oil Field Services and Supplies, Petroleum and Photographic Manufacturers and Distributors Groups. Guest speaker: James G. Conzelman, vice president D'Arcy Advertising Co., St. Louis, former coach Chicago Cardinals football team.

Electrical and Electronics Distributors

Three formal presentations and panel and open forum discussion period.

Forenoon talks: "What's Ahead for the Electrical Industry?"—a leading manufacturer's viewpoint (speaker to be announced); "Sailing the 7 "C's" of Letter Writing", Miss Aline E. Hower, writing counselor, St. Louis.

Afternoon address: "Association Services", Edward H. Kurtz, National Association of Credit Management, Nebraska-Western Iowa Unit, Omaha.

Panel discussion: Moderator: Howard W. Bode, Glasco Electric Co., St. Louis.

Panel members and subjects: (1) "Push Button Credit Department"—a discussion of types and effects of automation (panel member to be announced); (2) "Floor Planning, the Key to Increased Sales—(a) Effective Procedures, (b) Specialized Plans and Services (gimmicks), (c) "Effect on Credit and Collections"—C. W. Mangels, Interstate Supply Co., St. Louis; (3) "Using the Credit Department to Increase Sales", M. P. Johns, district manager Graybar Electric Co., Inc., St. Louis; (4) "Unusual Techniques to Collect Difficult Accounts", Frank W. Ries, credit manager The R. J. Brown Co., St. Louis.

Joint industry luncheon with Electrical and Electronics Manufacturers and Machinery and Supplies Groups.

Electrical and Electronics Manufacturers

Morning session: Two speakers and open forum discussion period.

Speakers and subjects: "Data Processing and the Credit Man", George Bauer, representative data processing International Business Machines, St. Louis; "Small Business Administration Activities", Ruby H. Koelling, branch manager St. Louis office, Small Business Administration.

Open forum discussion topic: "Common Mistakes of Creditors in Dealing with Distressed Debtors". Discussion leader: Armand U. Simeone, credit manager, Knapp-Monarch Co., St. Louis.

Afternoon address: "The Credit Executive of The Sixties", H. P. MacDonald, assistant treasurer and credit manager Westinghouse Electric Corp., Pittsburgh.

Open forum discussion. Subject: "What Is Your Problem?" Discussion leader: John Flesher, credit manager Emerson Electric Mfg. Co., St. Louis.

MORRIS BERMAN

G. SCHWEIGHOEFER

Special feature: "Flavored with Honey" —panel discussion. Various subjects will be introduced by the panel members, then general discussion. Moderator: P. J. Wilder, credit manager Century Electric Co., St. Louis. Panel members: George Shelby, credit supervisor Bussmann Manufacturing Co., Division McGraw-Edison Co., St. Louis, and Millard Jumper, assistant credit manager Texas Instruments, Inc., Dallas.

Joint industry luncheon with Electrical and Electronics Distributors and Machinery and Supplies Groups.

Feed, Seed and Agricultural Suppliers

Three formal talks and panel and open forum discussion period.

Morning speakers and subjects: "Credit from a Sales Viewpoint", E. D. Griffin, vice president Allied Mills, Inc., Chicago; "Thoughts along the Way", R. F. Deibel, Jr., president Dixie Mills Co., East St. Louis.

Afternoon speaker: F. W. Huntington, vice president Ralston Purina Co., St. Louis. Subject to be announced.

Panel and open forum discussion period: "Fact—Fantasy—Foolishness". Moderator: Walter Hammond, general credit manager Spencer, Kellogg & Sons, Inc., Buffalo.

Panel members: A. J. Powell, general credit manager Central Soya Co., Inc., Fort Wayne; Ralph Sheedy, general credit manager Central States Cooperative, Richmond; Fred Hocking, treasurer Kent Feed Mills, Muscatine, Iowa; Roy Grunzinger, credit manager Ed Mangelsdorf & Co., St. Louis.

Joint industry luncheon with Confectionery Manufacturers, Food Products and Allied Lines Manufacturers, and Millers and Allied Lines Groups. Speaker: Alexander Henderson, executive director Gerontological Research Foundation, St. Louis, formerly with St. Louis Union Trust Company. Subject: "Ancient and Curious Wills".

Fine Paper

Opening presentation a panel discussion: "A Triangular Review of Our Industry's Problems and Responsibilities".

Panel members and their subjects: "Financing Your Customers—Capital Assets and Working Fund Loans", Oren F. Miller, Jr., assistant vice president First National Bank in St. Louis; "A Printer's Impressions of Fine Paper Merchants", (speaker to be announced); "A Paper Credit Manager Takes Inventory", Maurice Trask, treasurer and credit manager Wilcox, Mosher, Leffholm Paper Co., Minneapolis. Discussion period.

General discussion period: "Planning for 1961 Convention at Denver". Discussion leader: Group vice chairman, R. K. Hancock of Carpenter Paper Co., Denver.

Forenoon talk: "Selection of Best Legal Remedies for Distressed Accounts", C. J. Wagner, of Wagner & Bailey (attorneys), Minneapolis.

Joint afternoon session with Paper Products and Converters Group.

Speakers: "The Changing and Challenging World of the Paper Jobber", Curtis R. Georg, vice president Graham Paper Co., St. Louis; "A Credit Manager Takes His Hair Down", Louis Zimmerman, credit manager Lew Bonn Co., Minneapolis; "Your Association—The Key to Successful Industry Group Activity", Robert F. Banks, staff member Chicago Mid-West Credit Management Association.

Open forum discussion period. Discussion leader: David H. Hotchkiss, assistant treasurer Petrequin Paper Co., Cleveland, NACM director.

Subjects: (1) "The Who's, Why's, When's, What's and How's of Credit Department Counseling of the Marginal Account"; (2) "'So Long, Old Friend!' Under What Conditions and How Do You Withdraw Credit Lines from Your Long Established Customer?"; (3) "Steering the Distressed Debtor away from the Bankruptcy Court"; (4) "Financial Statement Finesse. The Most Practical Approach to Analyzing Your Customers' Figures".

Joint industry luncheon of the two Groups. Guest speaker: Jonathan Hagar, picture editor St. Louis *Globe-Democrat*, with his recently completed film "Finland".

Floor Coverings and Furniture

Two panel and open forum discussion periods.

Moderator, morning panel: Morris Berman, Renard Linoleum & Rug Co., St. Louis. Panel members: Ruby N. Burbank, Virtue Brothers Manufacturing Co., Los Angeles; Glenn E. Carlson, Arcliff Co., Inc., St. Louis; Mrs. Madeline S. Thomas, Hightstown Rug Co., Hightstown, N. J.

Panel subjects: (1) "Moral Risks—How to Sell"; (2) "Specific Credit Problems—Unusual"; (3) "Set Limits on Accounts—Why and How?"; (4) "Protection on Large Contract Orders"; (5) "Salesmen as Collectors".

Afternoon panel moderator: Gene Starn, Aluminum Western Co., Denver. Panel members: Same as for morning session.

Subjects: (1) "IBM on Accounts Receivable"; (2) "SBA (Helpful to Our Industry); (3) "D & B Reports—With Good Ratings (C3½—D2), Danger (Large Fixed Assets), (Limited Working Capital)"; (4) "Financial Statements".

Joint industry luncheon with Hardware Manufacturers, Hardware Wholesalers and Paint, Varnish, Lacquer and Wallpaper Groups. Guest speaker: Louis Zimmerman, credit manager Lew Bonn Co., Minneapolis. Subject: "A Credit Manager Takes His Hair Down".

Food Products and Allied Lines Manufacturers

Joint morning session with Confectionery Manufacturers and Millers and Allied Lines.

Forenoon talks: "Economy of the 1960s and You", Dr. Carl A. Dauten, professor of finance and banking Washington University, St. Louis; "Operation Standards and Objectives of Sales Distribution Centers", E. W. Kelley, treasurer General Foods Corp., White Plains, N. Y.; "Teamwork between the Grocers' Association and the Grocery Manufacturer", J. C. Conreaux, president Associated Grocers of St. Louis.

Afternoon speaker: "Automation as a Credit Management Tool", Paul A. Henschen, director of management advisory service, CPA of Price Waterhouse Co., St. Louis.

Panel and open forum discussion period: "The Food Manufacturers' Credit Clinic on 1960 Problems". Moderator: R. O. Berg, General Mills, Inc., Park Ridge, Ill.

Panel members: T. E. Murphy, The Pillsbury Co., Minneapolis; George Perry, Stokely-Van Camp, Inc., Indianapolis; J. I. Vaughan, S. C. Johnson & Son, Inc., Racine, Wis.; Virge Munger, Libby, McNeil & Libby, Chicago; Bertel Jonson, Hunt Foods & Industries, Fullerton, Calif.; J. W. Sattazahn, Scott Paper Co., Chester, Pa.; C. F. Woolley, Marcalus Mfg. Co., Inc., East Paterson, N. J.; L. M. Davis, Kuner-Empson Co., Brighton, Colo.; E. R. Donald, The Blanton Co., St. Louis; Edward J. Gurski, Jr., Booth Fisheries Corp., Chicago.

Subjects: (1) "Can We Automate Data for Credit Decisions and Maintain Credit Cooperation?"; (2) "What Are Prospects for 'Credit Cards' in Grocery Stores—Are We Ready for 'Credit Cards' in the Food Industry?"; (3) "How Extensive Is the Trend to Non-Grocery Items in Supermarkets, And What Will Be Its Effect Creditwise?"; (4) "What Are the Sources of Funds for Our Customers in a Tight Money Market? What Is the Effect of the Tight Money Market on Grocery Distributors?"

Joint industry luncheon with Confectionery Manufacturers, Feed, Seed and Agricultural Suppliers, Millers and Allied Lines Groups. Guest speaker: Alexander Henderson, executive director Gerontological Research Foundation, St. Louis, formerly with St. Louis Union Trust Company. Subject: "Ancient and Curious Wills".

Food Products Wholesalers

Five formal presentations.

Forenoon speakers and subjects:

"Outlook on Business for 1960", H. Jack Openlander, vice president and sales executive General Grocer Co., St. Louis; "Operating Figures or Percentages for Grocery Stores of Various Sizes, as Well as Restaurants", George D. Spillane, credit manager Beatrice Foods Co., Denver.

Afternoon talks:

"Are Present Credit Policies of Our Industry Sound?", P. J. Sandretto, Bensinger's, St. Louis; "Using Salesmen as Collectors", Cletus J. Moll, General Meat Co., St. Louis; "Collecting Delinquent Accounts to Retain the Goodwill and Business of customers", A. B. Keen, John Sexton & Co., Chicago.

Question and answer and general discussion period follows each presentation.

Joint industry luncheon with Meat Packers. Guest speaker: Harrison F. Coerver, vice president and director of credits of meat packers and food line of Mercantile Trust Co., St. Louis. Subject: "Don't By-Pass Your Bank as a Source of Credit Information".

Hardware Manufacturers

Morning session: Two addresses, followed by question and answer periods.

Speakers and subjects: "Data Processing and Accounts Receivable", Richard H. Blind, president Compumatix, Inc., St. Louis; "Bankruptcy In Today's Economy", Wendell P. McCray, Referee in Bankruptcy, U. S. District Court, Eastern District of Illinois, East St. Louis.

Afternoon speaker: "Your Credit Association", L. F. Davis, secretary-manager Detroit Association of Credit Management.

Panel and open forum discussion period. Moderator: D. G. Patterson, Yawman & Erbe Manufacturing Co., Inc., Rochester, N. Y.

Panel members: Ernest W. Dreger, American Machine Foundry, Hammond, Ind.; J. Paul Harrelson, Faultless Caster Corp., Evansville, Ind.; Glen C. Neal, Rubbermaid, Inc., Wooster, Ohio.

Subject: "Trouble Spots in the Hardware Manufacturers' Industry". The financial statements of at least one "critical" account in the industry will be presented by each panel member. The open forum discussion will accomplish: (1) Analysis of financial statements; (2) Diagnosis of illness of the business; (3) Prescription for cure.

Joint industry luncheon with Floor Coverings and Furniture, Hardware Wholesalers and Paint, Varnish, Lacquer and Wallpaper Groups. Guest speaker: Louis Zimmerman, credit manager Lew Bonn Co., Minneapolis. Subject: "A Credit Manager Takes His Hair Down".

Hardware Wholesalers

Opening address: "A Realistic Insurance Program for the Retail Hardware Dealer as Your Credit Protection", Wilson Sked, vice president Marsh & McLennan, Inc., Chicago.

Question and discussion period follows speaker's presentation.

Open forum discussion period—Subject: "The Marginal Account—Problem or Opportunity?" Discussion Leader: V. C. Barnhart, credit manager Mine and Smelter Supply Co., Denver.

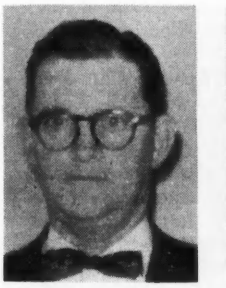
Topics: "The Importance of the Profit Factor in Credit Risk Appraisal"; "Setting and Controlling Credit Limits"; "Procedure in Reducing Old Accounts While Currently Selling an Open Account"; "Personal Call by Credit Manager or Credit Personnel"; "Various Types and Kinds of Marginal Risk and an Intelligent Approach to Each"; "Coordinating the Efforts of Sales Personnel and Credit Personnel"; "Terms of Sale".

Joint afternoon session with Paint, Varnish, Lacquer and Wallpaper Group.

Three speakers, followed by general discussion period.

Talks: "Bankruptcy in Today's Economy", Wendell P. McCray, referee in bankruptcy, Eastern Division of Illinois, East St. Louis; "Collections", speaker for St. Louis Association of Credit Management; and Vourdon Fricke, attorney, St. Louis.

Joint industry luncheon with Floor Coverings and Furniture, Hardware Manufacturers and Paint, Varnish, Lacquer and Wallpaper Groups. Guest speaker: Louis Zimmerman, credit manager Lew Bonn Co., Minneapolis. Subject: "A Credit Manager Takes His Hair Down".



N. R. SHAW

T. G. SENN

Insurance

Morning session only, concluding with fellowship period and luncheon.

Business meeting and roundtable on insurance activities, including "New Hazards in the Space Age" (general discussion on nuclear liability, vibration damage and other special hazards; report of special hazards subcommittee); "Why a Credit Man Should Be Interested in His Customers' Insurance Coverage"—(credit management's role in appraisal of customer coverage); "Current Insurance Legislation —How It Affects Credit Men"—(report on recent developments in Federal and State legislation affecting credit aspects of insurance including flood damage, compulsory automobile bonding legislation, etc.).

Subcommittee reports — special reports from subcommittees on establishment, extension and development of Local Insurance Advisory Councils, education, information, speaker's bureau, construction practices, and special awards.

Report on local Association activities and plans for the year.

Iron and Steel, Non-Ferrous Metals and Related Lines

Rex Davis, KMOX, St. Louis, will open with "Newscast".

Forenoon addresses: "A Look at the National Economy", Dr. Clarence W. Tow, vice president Federal Reserve Bank of Kansas City; "Organization and Direction of Work", Dr. Gerald Nadler, professor of industrial engineering Washington University, St. Louis.

Afternoon talk: "Services of Your Credit Association", Ralph Johns, executive manager Indiana Association of Credit Men, Indianapolis.

Panel and open forum discussion period. Moderator: John F. Tweddale, credit manager United States Steel Supply Division, United States Steel Corp., St. Louis.

Panel members and subjects:

(1) "Are you a Payroll Digit?", Orville B. Tearney, manager of credit and insurance, Inland Steel Co., Chicago; (2) "We Should Be Better Than We Are," Tom D. McElroy, assistant general credit manager The National Supply Co., Pittsburgh; (3) "The Administrative Control of Branch Operations," V. W. Heyden, credit manager Chase Brass & Copper Co., Inc., Waterbury, Conn.; (4) "What Financial Aid Is Available to Business Customers?," John B. Mitchell, executive vice

president First National Bank in St. Louis; (5) "Effect of Changing Conditions on Credit Policies", Arthur E. Bayley, credit manager Pittsburgh Steel Co., Pittsburgh.

Industry luncheon guest speaker to be announced.

Machinery and Supplies

Forenoon speakers: "Taxes and Your Customers," Roy G. Mosher, partner and manager St. Louis Tax Department, Peat, Marwick, Mitchell & Co., CPA's, St. Louis; "Your Association", C. E. Swanson, secretary-manager Credit Managers Association of Northern and Central California, San Francisco.

Open forum discussion period: "I've Got a Problem." Presentation from the floor of troublesome policies, laws, etc. Discussion leader: W. W. Culpepper, H. W. Moore Equipment Co., Denver.

"Buzz" session: In small groups discuss, then report, on your firm's study and application of (1) "Automation," (2) "Time Saving Devices and Equipment," (3) "Streamlined Systems."

Afternoon program designed to take a layman's eyeview of the economic system in which credit executives orbit. Program Title: "Speak Up for Free Enterprise." Moderator: William H. Curren, St. Louis Chamber of Commerce.

Topics and speakers: "The Mystery of Money" (money forms, volume, price influence, etc.), the speaker, a banker, to be announced; "Control of Money Supply" (methods, purpose and benefits of credit control), the speaker, a Federal Reserve Board representative, to be announced; "Sustaining Prosperity" (business cycles, causes, controls, etc.), the speaker, an industry executive, to be announced.

At the conclusion of each speaker's subject, there will be a recording of two businessmen arguing the pros and cons of the subject at the layman's level. A list of check questions will be supplied to each group participant to fill in for his own information. General discussion period will follow.

Joint industry luncheon with Electrical and Electronics Distributors and Electrical and Electronics Manufacturers Group.

Meat Packers

The theme of this year's meeting is "Open Participation." Meeting conducted on a workshop basis with a discussion leader and all others given an opportunity to express their opinions or actual experiences.

The subjects for discussion will be:

(1) "How to Get Credit Information from Automation"—a subject discussed privately and openly, without solution. Representative from a leading supplier of automation equipment to answer questions.

(2) "Credit Education—(a) For the Credit Department, (b) For the Office Personnel, (c) For the Sales Department, (d) For Management." Subject of vital importance for all credit executives and assistants.

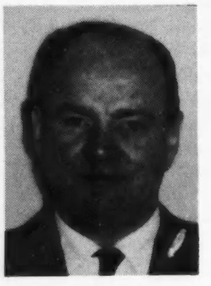
(3) "Where Are We Going with Terms?—(a) Chain Stores (Large and Small), (b) Hotels, Restaurants and Institutions, (c) Carload Sales, (d) Brokers, Jobbers and Peddlers."

(4) "Credit Men's Follies—(a) How I Got Stuck, (b) How I Got Out." Actual case histories from members for discussion.

(5) "Do We Need Understanding of Management Planning for Overall Packing House Operations?" Open discussion. Speaker from management to be announced.

Joint industry luncheon with Food Products Wholesalers Group. Guest speaker: Harrison F. Coerver, vice president and director of credits of meat packers and food line of Mercantile Trust Co., St. Louis. Subject: "Don't By-Pass Your Bank as a Source of Credit Information."

D. G. MOSES



H. E. DAVIS

Millers and Allied Lines

Joint meeting with Confectionery Manufacturers and Food Products and Allied Lines Manufacturers.

Forenoon talks: "Economy of the 1960s and You", Dr. Carl A. Dauten, professor of finance and banking Washington University, St. Louis; "Operation Standards and Objectives of Sales Distribution Centers," E. W. Kelley, treasurer General Foods Corp., White Plains, N. Y.; "Teamwork between the Grocers' Association and the Grocery Manufacturer," J. C. Conreaux, president Associated Grocers of St. Louis.

Afternoon speaker: "Automation as a Credit Management Tool", Paul A. Henschen, director of management advisory service, CPA of Price Waterhouse Co., St. Louis.

Panel and open forum discussion period: "The Food Manufacturers' Credit Clinic on 1960 Problems." Moderator: R. O. Berg, General Mills, Inc., Park Ridge, Ill.

Panel members: T. E. Murphy, The Pillsbury Co., Minneapolis; George Perry, Stokely-Van Camp, Inc., Indianapolis; J. I. Vaughan, S. C. Johnson & Son, Inc., Racine, Wis.; Virge Munger, Libby, McNeil & Libby, Chicago; Bertel Jonson, Hunt Foods & Industries, Fullerton, Calif.; J. W. Sattazahn, Scott Paper Co., Chester, Pa.; C. F. Woolley, Marcalus Manufacturing Co., Inc., East Paterson, N. J.; L. M. Davis, Kuner-Empson Co., Brighton, Colo.; E. R. Donald, The Blanton Co., St. Louis; Edward J. Gurski, Jr., Booth Fisheries Corp., Chicago.

Subjects: (1) "Can We Automate Data for Credit Decisions and Maintain Credit Cooperation?;" (2) "What Are Prospects for 'Credit Cards' in Grocery Stores—Are We Ready for 'Credit Cards in the Food Industry?;" (3) "How Extensive Is the Trend to Non-Grocery Items in Supermarkets, And What Will Be Its Effect Creditwise?;" (4) "What Are the Sources of Funds for Our Customers in a Tight Money Market? What Is the Effect of the Tight Money Market on Grocery Distributors?"

Joint industry luncheon with Confectionery Manufacturers, Feed, Seed and Agricultural Suppliers, and Food Products and Allied Lines Manufacturers Groups. Guest speaker: Alexander Henderson, executive director Gerontological Research Foundation, St. Louis, formerly with St. Louis Union Trust Company. Subject: "Ancient and Curious Wills".

Oil Field Services and Supplies

Forenoon panel and open forum discussion: "Automation".

Moderator: Marshall Alexander, National Supply Co., Tulsa.

Panel members and topics: "Advantages and Disadvantages of Punch Card Ledger," Marshall Alexander, National Supply Co., Tulsa; "What Can Be Done to Preserve 'Credit History'?," Walter Cooney, Baker Oil Tools, Inc., Houston; "Do Area Managers Receive Sufficient Information from the Home Office?," Neil R. Shaw, Schlumberger Well Surveying Co., Denver; 'Does Expediency Justify Cost of Operation?," Don Bringaze, Dowell Division, The Dow Chemical Co.. Tulsa; "Effect On Credit Interchange Reporting", W. J. Wissel, Houston Association of Credit Management, Inc.

Afternoon open forum discussion.

Discussion leaders and subjects: (1) "Oil Field Credit Requirements for 1960. Drilling Program For 1960", K. H. Root, Ford Alexander Corp., Whittier, Calif.; (2) "Can Suppliers Refuse Extended Financing and Encourage Bank Financing?," H. L. Richardson, Baroid Division, National Lead, Houston; (3) "What Financing Is Available to Operators Who Look Away from Bank?," D. T. Brooks, Schlumberger Well Surveying Co., Houston; (4) "Current Industry Problems", Fred J. Barnett, Black, Sivalls & Bryson, Inc., Kansas City, Mo.

Joint industry luncheon with Automotive, Chemical and Allied Lines, Drugs, Cosmetics and Pharmaceuticals, Petroleum, and Photographic Manufacturers and Distributors Groups. Guest speaker: James G. Conzelman, vice president D'Arcy Advertising Co., St. Louis, former coach, Chicago Cardinals football team. Subject to be announced.

Paint, Varnish, Lacquer and Wallpaper

Two speakers and panel discussion in the forenoon.

Addresses: "Your Credit Association—What You Can Expect from it," George H. Jones, secretary-manager Alabama Association of Credit Executives, Birmingham; "Pitfalls of Bonding Jobs," Frank W. Mueller, Mueller & Kenny, attorneys-at-law, St. Louis.

Panel discussion: "Special Credit Problems." Moderator: Walter A. Skipper, Stebbins & Roberts, Inc., Little Rock.

Panel members: Mrs. Karla Howe Jack, Great Lakes Paint & Varnish Co., Chicago; R. W. Patterson, Glidden Co., Cleveland; Albert Pauly, Samuel Cabot, Inc., Boston; Art Thompson, Cook Paint & Varnish Co., Kansas City, Mo.

Panel topics: (1) "Methods of Reducing Delinquent Accounts While Selling

Currently," (2) "Controlling Dollar Volume Accounts;" (3) "Constructive Credit Department Assistance to Customers;" (4) "Are the Present Credit Policies of Our Industry Sound?;" (5) "Collection Correspondence."

Joint afternoon session with Hardware Wholesalers group.

Afternoon talks: "Bankruptcy in Today's Economy," Wendell P. McCray, referee in bankruptcy Eastern Division of Illinois, East St. Louis; "Collections," Fred J. Lauchli, St. Louis Association of Credit Management, and Vourdon Fricke, Attorney, St. Louis.

General discussion on afternoon speakers' presentations.

Joint industry luncheon with Floor Coverings and Furniture, Hardware Manufacturers and Hardware Wholesalers Groups. Guest speaker: Louis Zimmerman, credit manager Lew Bonn Co., Minneapolis. Subject: "A Credit Manager Takes His Hair Down."

Paper Products and Converters

Morning speaker and panel and open forum discussion period.

Talk: "Tested Yardsticks for Measuring the Profitability of the Slow Pay or Special Terms Account," W. G. Phillips, treasurer The Glidden Co., Cleveland.

Panel and open forum discussion. Moderator: William H. Bryan, general credit manager Alton Box Board Co., Alton, Ill.

Panel members: Vance J. Rhodes, assistant treasurer Olin-Mathieson Chemical Corp., West Monroe, La.; W. J. Stone, assistant treasurer Sefton Fibre Can Co., St. Louis; Robert Punch, manager credit department, Packaging Corporation of America, Central Fibre Products Division, Quincy, Ill.; Victor E. Cummins, credit manager Mead Containers, Cincinnati.

Subjects: (1) "Sizing Up the Routine Marginal Account . . . The Two-Minute Way," (2) "How Confidential Is Confidential?;" (3) "The Mechanics and Merits of Credit Ranges versus Credit Limits"; (4) "Today's Frankenstein . . . Special Terms and 'Temporary' Arrangements. How They May Be Checked, Controlled, Accepted or Declined."

Joint afternoon session with Fine Paper Group.

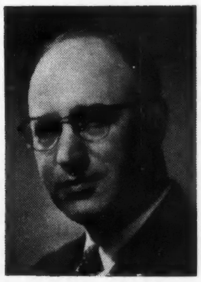
Speakers and their subjects: "The Changing and Challenging World of the Paper Jobber," Curtis R. Georg, vice president Graham Paper Co., St. Louis; "A Credit Manager Takes His Hair Down," Louis Zimmerman, credit manager Lew Bonn Co., Minneapolis; "Your Association . . . The Key to Successful Industry Group Activity," Robert F. Banks, staff member Chicago-Midwest Credit Management Association.

Open forum discussion period. Discussion leader: David H. Hotchkiss, assistant treasurer Petrequin Paper Co., Cleveland, NACM director.

Topics: (1) "The Who's, Why's When's, What's and How's of Credit Department Counseling of the Marginal Account"; (2) "'So Long, Old Friend!' Under What Conditions and How Do You Withdraw Credit Lines from Your Long Established Customer?"; (3) "Steering the Distressed Debtor away from the Bankruptcy Court"; (4) "Financial Statement Finesse, The Most Practical Approach to Analyzing Your Customers' Figures."

Joint industry luncheon with Fine Paper Group. Guest speaker: Jonathan Hagar, picture editor St. Louis *Globe-Democrat*, with his recently completed film "Finland."

R. W. MAUTZ



W. J. HABKIRK

Petroleum

Opening address: "Business Outlook", Dr. George W. Coleman, economist Mercantile Trust Co., St. Louis.

Panel and open forum discussion: "Dealer and Jobber Financing." Moderator: M. V. Johnston, general credit manager Gulf Oil Corp., Pittsburgh.

Panel members: G. V. Erickson, division credit manager Mobil Oil Co., Kansas City, Mo., and R. M. Benson, regional credit manager Continental Oil Co., Kansas City, Mo.

Panel and open forum discussion. Moderator: W. M. Smith, general credit manager Standard Oil Co. (Ind.), Chicago.

Panel members: R. C. Hodge, division credit manager Phillips Petroleum Co., St. Louis, and P. L. Pastiran, regional credit manager Cities Service Oil Co., St. Louis.

Topics: (1) "Farm Credit"; (2) "Truckers"; (3) "Contractors"; (4) "Wholesale Credit—General".

Afternoon panel and open forum discussion: Moderator: L. B. Houghton, treasurer Union Oil Co. of California, Los Angeles.

Panel members: William Stockton, manager credits and collections The Atlantic Refining Co., Philadelphia; J. Jacobson, assistant general credit manager Standard Oil Company of California, San Francisco; W. I. Tyler, regional credit manager, Standard Oil Co. (Ind.), St. Louis.

Subjects: (1) "New Credit Card Styles"; (2) "Trends—Periods of Validity;" (3) "Trends—National Credit Cards"; (4) "Changes and Concentration—Retail Accounts Receivable"; (5) "Service Charge —Delinquent Accounts"; (6) "Conditions and Trends—Current and Past Due Percentages"; (7) "Extent of Coverage T.B.A. and Repairs"; (8) "Lost, Stolen and Abused Credit Cards."

Meeting concludes with general discussion of any topic presented from the floor. Discussion leader: H. M. McDonald, general credit manager Cities Service Oil Co., Chicago.

Joint industry luncheon with Automotive, Chemical and Allied Lines, Drugs, Cosmetics and Pharmaceuticals, Oil Field Services and Supplies and Photographic Manufacturers and Distributors Groups. Guest speaker: James G. Conzelman, vice president D'Arcy Advertising Co., St. Louis, former coach Chicago Cardinals football team. Subject to be announced.

Photographic Manufacturers and Distributors

Forenoon speakers and subjects:

"Reorganizations and Liquidations", Charles J. Briggs, Rochester Credit and Financial Management Association, Inc.; "Insolvency in the Photographic Industry", John T. Hughes, Bell & Howell Co., Chicago.

Afternoon talk: "Measuring Effectiveness in the Credit Department", Donald M. Kladstrup, Eastman Kodak Co., Rochester.

Open forum discussion period. Discussion leader: Robert H. Groppe, Arel, Inc., St. Louis.

Discussion subjects: (1) "Setting Credit Limits—How and Why?"; (2) "Current Credit Problems"; (3) "Special Terms"; (4) "Collection Correspondence"; (5) "What's Your Problem?"

Joint Industry luncheon with Automotive, Chemical and Allied Lines, Drugs, Cosmetics and Pharmaceuticals, Oil Field Services and Supplies and Petroleum Groups. Guest speaker: James G. Conzelman, vice president D'Arcy Advertising Co. St. Louis, former coach, Chicago Cardinals football team. Subject to be announced.

Plumbing, Heating, Refrigeration And Air Conditioning

Four formal presentations, a panel and open forum discussion period.

Speakers and subjects: "Sailing the 7 'C's' of Letter Writing," Miss Aline Hower, St. Louis, nationally known letter writing counselor; "Automating Office Procedures," Jerry L. Cary, sales representative International Business Machines, Inc., St. Louis; "Your Credit Association," E. J. Eller, credit interchange manager St. Louis Association of Credit Management; "Credit—Sales Department Cooperation," Harvey W. Protzel, Ernst and Ernst, CPA s, St. Louis.

Panel and open forum discussion: "Current Problems in the Plumbing, Heating, Refrigeration and Air Conditioning Industry." Moderator: S. E. Kapinski, Coleman Co., Inc., Wichita.

Panel members: E. D. Brogdon, Sloan Valve Co., Chicago; E. P. Funck, Grinnell Co., Inc., Kansas City, Mo.; V. H. House, York Houston Sales Inc., Houston; O. J. Lampertz, Ahrens & McCarron Inc., St, Louis; F. H. Pepmiller, Grinnell Co., Inc., St. Louis.

Subjects: (1) "Terms of Sale—Methods of Enforcement;" (2) "Helping Customers Stay in Business;" (3) "How to Say 'NO' Gracefully;" (4) "Reducing Old Account Balances While Selling Currently;" (5) "Effective Communications—Sales and Credit Department;" (6) "Can You Recognize When Customer Is Broke?"; (7) "Financial Statements;" (8) "What Must We Do to Get Proper Credit Information from Bankers?"; (9) "Use of Drafts, Notes and Trade Acceptances to Collect Delinquent Accounts;" (10) "Unrestricted Exchange of Ledger Experience between Competitors Selling the Same Customer;" (11) "Back-Dating Checks and Metering Envelopes to Make It Appear Payments Were Made Prior to the Time Checks Were Actually Paid;" (12) "What's Your Problem?"

Joint industry luncheon with Building Material and Construction Group. Guest

speaker: Carl T. Arlt, assistant vice president Federal Reserve Bank of St. Louis. Subject: "Financial Aspects and Outlook."

Public Utilities

Afternoon session Monday, convening at 2:00 p.m. and all-day session Tuesday.

Address of welcome—H. Reid Derrick, president Laclede Gas Co., St. Louis.

Formal presentations:—"Pay Station—Who Pays?" Joseph J. Cumiskey, Kansas Gas & Electric Co., Wichita; "Good Laws for Sound Credit," Robert L. Roper, assistant secretary National Association of Credit Management, New York.

Tuesday forenoon addresses: "How Advertising Can Help," Walter G. Heren, director of advertising and public relations Union Electric Co., St. Louis; "This Growing Credit Economy," James R. Leister, executive manager The Credit Association of Northwestern Ohio, Toledo; "The Critical Ten Years of the United States," Arthur C. Meyers, Jr., Ph.D., Associate professor of economics St. Louis University; "Cost Savers in Credit and Collection Practices and Procedures," W. Ray Burkholder, Louisville Gas and Electric Co.

Afternoon—"Think" Shop. Discussion leader: N. M. Scharf, Toledo Edison Co.

Industry luncheon on Tuesday. Guest speaker to be announced.

Textile

Morning session only.

Speakers and subjects: "Your Income Tax Return—Why Is It Checked?—What Effect Does It Have on Your Credit?" Samuel Millman, Silver & Millman & Co. (accountants), Chicago; "Things a Credit Man Ought to Know About the Organization and Functioning of Creditors' Committees," David Strauss, Gleick & Strauss (attorneys-at-law), St. Louis; "A Banker's View of the Textile Industry," Arthur E. Poth, vice president Mercantile Trust Co., St. Louis.

Discussion period will follow each presentation.

Wearing Apparel and Footwear

Opening presentation: "Chapter XI of the National Bankruptcy Act," Harry S. Gleick, Gleick & Strauss, attorneys-at-law, St. Louis.

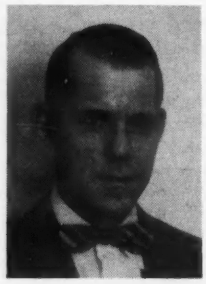
Open forum discussion period. Discussion leader: Rex E. Dewhirst, International Shoe Co., St. Louis.

Subjects: (1) "Survey of Credit Terms;" (2) "What Is Future Outlet for Small Merchants?"; (3) "What Is Your Feeling on Extending Credit to Marginal Accounts?"; (4) "Is It Advisable to Double Your Credit Exposure to Help Customers Expand?"; (5) "Do You Charge Interest on Past Due Accounts?"

Afternoon talk: "Financial Statements in Bankruptcy Proceedings—Reclamations and Discharge," Meyer Kahn, Kahn & Kahn, attorneys-at-law, St. Louis.

Work Shop—Three problems will be submitted. The audience will be divided into three groups, each with a table discussion leader, who will report on the decision of his group.

Moderator: Robert L. Dunavant, Curlee Clothing Co., St. Louis. Table discussion leaders: William D. Almond, Craddock



A. W. SYRETT

G. R. McLAUGHLIN

Terry Shoe Co., Lynchburg, Va.; John Heer, Catalina, Inc., Los Angeles; Harry Wilkinson, John B. Stetson Co., Philadelphia.

Group luncheon guest speaker to be announced. Subject: "What Is the Projection Program as to Opening New Stores, Merchandising, and Competing with Low Prices of Imported Merchandise?"

CREDIT CONGRESS

(Concluded from page 31)

countant and special accountant; field accountant, supervising accountant and assistant controller, U. S. Railroad Administration; assistant auditor, assistant controller, assistant to vice president in charge of finance and accounting, Wabash Railway Company and affiliates; vice president, secretary, treasurer and director; treasurer for receivers, Wabash Railway Company; chief financial and accounting officer; during receivership also served as secretary of the stockholders protective committee and secretary of the reorganization managers.

Mr. Atkinson was successively elected director Wabash Railroad Company, secretary, treasurer, vice president, vice president finance and accounting, president, chairman in July 1959. He has been a member of the finance committee since 1943, executive committee since 1947.

Panel on "Retirement"

Another panel, on "Retirement—in Spite of Inflation," will have as moderator Professor Arthur W. Mason, Jr., Assoc. Professor of Finance, School of Business and Public Administration Washington University. Members of this panel are: Hugh A. Logan, vice president St. Louis Union Trust Company; James Ely, assistant vice president Marsh & McLennan, Inc.; Dean Stephan W. Vasquez, business administration, St. Louis University.

A question and answer period will follow the panel presentations.

With this wealth of knowledge and experience being drawn upon first-hand by the noted speakers, the Credit Congress and the Industry Group Meetings, whose programs are detailed beginning with page 32, promise as diversified, complete, and educational a program as ever assembled for any Credit Congress. It's "Meet Me in St. Louie"—May 15th to 19th.

A friend is a person who tells you all the nice things you already know about yourself.

—Banking

Holmes Presents Leslie Plaque Of N.Y. Unit in Its 65th Year

The integrity of American business' national values "is undergoing a slow attrition of erosion under the influence of commercial expediency," Frank H. Leslie, vice president of Burlington Industries, Inc., told the more than 1,000 executives attending the 65th birthday dinner of the New York Credit and Financial Management Association.

A plaque was presented to Mr. Leslie on behalf of the New York association by William L. Holmes, president of the National Association of Credit Management, in recognition of Mr. Leslie's "inspiring humanitarian activities and his many contributions to the growth of American business."

Mortimer J. Davis, executive vice president of the New York association, and Edwin B. Moran, NACM executive vice president, were among the many at the head table with the honored guest.

Mitchell Opens Lecture Course

An eight-week course of lectures on small business management, at Wake Forest College, Winston-Salem, N.C., was opened with a session conducted by M. L. Mitchell of Charlotte, secretary-manager of the NACM Carolinas Unit. His topic was "Small Business Hazards — How to Avoid the Pitfalls".

Otto C. Lorenz Dies

Otto C. Lorenz, associate editor of *American Banker*, who died at 63, had begun his career in instalment financing soon after graduation from Massachusetts Institute of Technology. He was consultant to banks, trade associations and commercial companies.

PERSONNEL MART

GENERAL CREDIT EXECUTIVE

INDUSTRIAL manufacturing concern needs individual with excellent administrative and executive ability with top level experience in all phases of credit operations. Individual will be responsible for all credit functions of company. Accounting degree desirable. Please submit complete resume to CFM Box #489.

Accountant Credit Executive

Seeks challenging position with expanding company. Excellent administrative and managerial experience as treasurer-controller, office and credit manager, chief accountant. 7 years diversified accounting IBM, manual, public, tax, and credit management. Demonstrated ability in industrial corporate organization. Business administration certificate. Age 39, married. Assume complete responsibility to plan, organize and control credit or accounting functions of small to medium size industrial firm. Available immediately for Houston or Los Angeles areas. Will travel. Resume on request. CFM Box #494.

Credit Manager Available

TEN YEARS INDUSTRIAL EXPERIENCE, all phases of Credits & Collections Management. B.B.A. Economics plus Exec. Award Graduate School Credit & Financial Mgt. Will Relocate. Salary Range $10,000. CFM Box #496.

Financial Executive

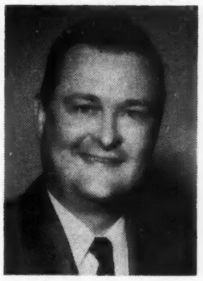
FINANCIAL AND CREDIT EXECUTIVE, B.B.A., M.B.A., 11 years top experience; credit, customer relations, financial management, familiar IBM systems. Sales-minded. Mfr. & wholesale exp. CFM Box #495.

Another Communist "Threat"

A genuine Red threat to the U.S. lead in oil production is posed by the development of a rich oil basin in USSR, new drilling techniques and state support through vast capital investments and high priorities, says *Petroleum Today.*

Brice J. Martin Secretary of New Coastal Bend Association

Lt. Col. Brice J. Martin, named secretary-manager of the Coastal Bend Association of Credit Management, Inc., with headquarters offices in Corpus Christi, Texas, had an illustrious career in the military.



B. J. MARTIN

Injuries resulting from severe beatings as a prisoner of the Japanese (1942-45), first in the Philippines and later in Japan, eventually brought disability retirement from Army service in January last year.

Lt. Col. Martin, who had attended the University of Houston, entered the service as second lieutenant of Infantry at Fort Sam Houston in 1941, advanced to first lieutenant, was sent to the Philippines as heavy weapons instructor, also serving as company commander. In 1942 he was promoted to captain, and became a P.O.W. following the fall of Bataan. After his release he was made a major and was ordered to Tokyo to testify at the Japanese war crimes trials.

After duties as operations and executive officer at Fort Lewis, Wash., he was assistant professor of military science and tactics at Washington State College; was sent to Germany and as lieutenant colonel served as battalion commander and staff officer in logistics; was assigned to Fort Bliss, Texas, as chief of operations division in G-3; again battalion commander; executive officer of special troops at guided missile center; hospitalized in 1958.

Foundries' Equipment Needs

In addition to more than $509 millions in new capital equipment needs for this year and next, America's foundries expect to spend almost $6.8 billions for materials, supplies and special services to produce 37.6 million tons of finished castings, says the American Foundrymen's Society. This would represent 15 per cent increased output this year, 20 per cent in 1961.

Credit Manager Trainees—Branch Level

These positions are available with Large Manufacturer and Distributor with Multiple Branch Operations.

¶In this accelerated training program previous credit experience will be especially valuable.

¶Minimum 2 years college preferred.

¶Very good salary and all usual employee benefits. Career opportunity with an expanding, aggressive organization.

Address: CFM Box #493 — Please include comprehensive resume and recent photo.

CALENDAR OF EVENTS IMPORTANT TO CREDIT

WICHITA, KANSAS
March 27-29
North Central Petroleum Credit Association Annual Conference

DALLAS, TEXAS
April 20-22
Annual Conference of the Southwest Petroleum Credit Association

ST. LOUIS, MISSOURI
May 12-14
Annual Meeting of the NACM Affiliate Local Association Secretary-Managers

ST. LOUIS, MISSOURI
May 15-19
64th Annual Credit Congress

SAN ANTONIO, TEXAS
September 15-17
Annual Southwest Credit Conference, including Texas, Arizona, Arkansas, Louisiana, New Mexico and Oklahoma

FORT WAYNE, INDIANA
September 22-23
Great Lakes Regional Credit Conference, including Illinois, Indiana, Michigan and Wisconsin

ST. PAUL, MINNESOTA
September 23-24
North Central Credit Conference including Minnesota, North Dakota, Manitoba

NEW YORK, NEW YORK
September 29-30
New York Credit Management Workshop

NEW YORK, NEW YORK
October 9-12
36th Annual Conference of American Petroleum Credit Association

LOUISVILLE, KENTUCKY
October 14-16
Twentieth Annual Midwest Credit Women's Conference

PHOENIX, ARIZONA
October 17-19
Annual meeting of the Secretary-Managers of the local associations of the Western Division

DES MOINES, IOWA
October 19-21
Tri-State Credit Conference, representing Iowa, Nebraska and South Dakota

SAN DIEGO, CALIFORNIA
October 20-21
Pacific Southwest Credit Conference, including California, Arizona, Utah, Colorado, Nevada

BALTIMORE, MARYLAND
October 20-22
NACM Eastern Division Credit Conference

CINCINNATI, OHIO
October 27-28
Ohio Valley Regional Credit Conference, including Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan.

Houston Credit Women Form Group; It's the 59th in NACM

A new Credit Women's Group of NACM—the 59th—has been organized in Houston with Miss Nora M. Contello of Commercial Iron Works as president.

Other officers are: Mrs. Alene J. Jones, of Wesley Edmondson Co., Inc., vice president; Mrs. Mary Jane Davis, Visco Products Co., Inc., secretary; and Mrs. Mary Jo Cantino, Richard Ray Cole Co., treasurer.

It's better to give than to receive. Also, it's deductible.
—N. A. Rombe

Uptown Credit Group Names Goldsmith to Succeed Gilroy

Herman Goldsmith, vice president of Century Factors, Inc., New York, has been elected president of The Uptown Credit Club, succeeding Joseph F. Gilroy, vice president Mill Factors Corporation.


H. GOLDSMITH

Thomas F. Werring, credit manager Rusch & Co., is the new first vice president; Harry Fuchs, assistant vice president Rosenthal & Rosenthal, Inc., is second vice president. Nelson B. Hazeltine was reelected secretary-treasurer, Miss Agnes M. Hyer assistant secretary.

Mr. Goldsmith, graduate of City College of New York, and with special courses in the National Institute of Credit, began with Century Factors in 1930, became assistant credit manager in 1946, assistant treasurer of Century Industries Co., Inc., and Century Factors in 1956, and rose to his present post last summer.

He is also president of the Town Timers Credit Club and is on the board of the Forty-Niners Credit Club.

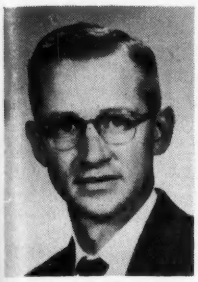
Bankruptcy Increase Seen But at a Lessened Pace

Bankruptcies will continue to increase, but at a smaller rate, according to testimony before the House appropriations subcommittee by Warren Olney III, director of the Administrative Office of the United States Courts.

Mr. Olney told the subcommittee that 30 additional clerks to the bankruptcy referee were needed to help the referee forestall an overwhelming backlog.

The subcommittee was advised that about 105,000 bankruptcy cases would be filed for the year ending June 30, approximately 5,000 more than for fiscal 1959 and 15,000 above fiscal 1958. For the year beginning July 1st, 110,000 bankruptcies are expected, a lower rate of increase than in the past.

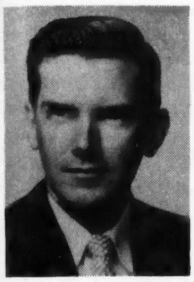
Normally, most cases involve individual bankruptcies; only a relatively small part is in business categories.



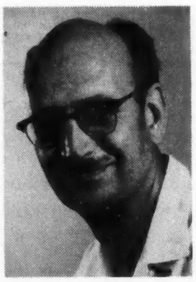
A. D. CATES

H. L. KREBS

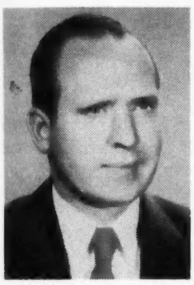
Executives in the News



R. S. FETNER



H. N. COPE



H. P. BROWNING

R. E. LOVINS

Treasurer of Hardware Co. Is Manufacturers' Secretary

A. D. Cates, secretary-treasurer and director of Morrow-Thomas Hardware Company, Amarillo, a leading wholesale hardware distributor of Texas, has been named president of the Wholesale Credit Association of Amarillo. Mr. Cates also is secretary of Panhandle Chapter, Texas Manufacturers Association.

Active in the First Baptist Church, Mr. Cates is a Sunday School teacher, on the board of deacons and currently serving as president of the Brotherhood. Born in Amarillo in 1926, he attended high school there and West Texas State College.

Leadership Role Familiar To Gulf Coast Executive

When H. L. Krebs went to Jacksonville as district financial manager Florida district, Graybar Electric Company, he won election to presidency of the Jacksonville unit, NACM (1954). The company's district offices were moved to Tampa in 1956 and again Mr. Krebs heads the association, currently is president NACM Florida Gulf Coast Unit. He began with Graybar in 1941 as creditman.

Panelist Krebs was chairman of the Electrical and Electronics Distributors Industry Meetings Group, Credit Congress of 1957, Miami Beach. He holds the Associate and Fellow Awards, National Institute of Credit.

Western Michigan Director Receives Bank Promotion

R. Scott Fetner, recently advanced to assistant vice president of Old Kent Bank and Trust Company, Grand Rapids, began with the bank in 1954 as credit manager and was appointed assistant cashier in 1956. He continues to serve as credit manager. Mr. Fetner is a director NACM (Western Michigan) Inc., second vice president American Institute of Banking local chapter, and on the board of Robert Morris Associates, Michigan chapter.

Mr. Fetner is a graduate of Michigan State College school of business administration and the University of Wisconsin graduate school of banking.

Machinery Firm's Executive Favors Valley of the Sun

Howell N. Cope, president of the Wholesalers Credit Association of Arizona, knows the "best of the West." Mr. Cope migrated from his native Salt Lake City to California, where he was for 13 years in the building and loan business in San Francisco and Los Angeles, followed by four years with Douglas Aircraft Company, Santa Monica, as supervising auditor and administrative accountant.

A child's health problem took Mr. Cope to Phoenix in 1947 and employment with Arizona Machinery Company. When the Deere and Caterpillar franchises were separated in 1959, he went with the succeeding Caterpillar dealer, Empire Machinery Company, Phoenix, as credit manager.

Washington, D.C., Executive Active In Industry Groups

R. Earl Lovins, recently named president of The Washington (D.C.) Association of Credit Men, has been particularly active in the Industry Credit Groups of the building material and fuel oil industries. For the past 14 years he has been credit manager of the A. P. Woodson Company, in the nation's capital.

Mr. Lovins was born in Portsmouth, Ohio, where he received his early education. He is a graduate of Benjamin Franklin University, Washington, and is a director of the Georgetown Lions Club.

Education, Credit Liaison Activities of Texas Banker

President of the Tri-State Credit Association, El Paso, H. P. Browning has a long record of activity in banking and credit progress. Vice president of the El Paso National Bank, Mr. Browning is past president of the American Institute of Banking local chapter, former member American Bankers Association committee on public education, past president Paso del Norte Toastmaster's Club, presently executive committee member Robert Morris Associates, Upper Rio Grande District.

Reports from the Field

Rochester, N.Y.—"Tight Money—Why and How and What Next?" questions and answers were put by Dr. Harold C. Passer, staff economist, Eastman Kodak Co., before the Management Discussion Group meeting of the Rochester Credit & Financial Management Association.

Boston, Mass.—"Prescription for Good Leadership" was outlined in a talk by Jim Low of the National Association of Manufacturers at the monthly dinner meeting of the New England Association of Credit Executives. Mr. Low is past president National Council of Industrial Management Clubs.

"Why Was I a Creditor?" was topic of credit executives' panel which featured the annual joint meeting of the New England Association and the Credit Women's Group of Boston. Harley T. Blake, E. Van Noorden Co., Boston, was moderator. Panelists were Herbert Armstrong, Buckley & Scott, Watertown; James Kennedy, French, Shriner & Urner Manufacturing Co., Boston, and James Gibbs, Masury-Young Co., Boston.

Dallas, Texas—Personnel and industrial relations specialist J. W. Miller, vice president of Employers Casualty Co. and Texas Employers Insurance Co., titled his talk before the Dallas Association of Credit Management "We Choose the Commands We Obey."

Green Bay, Wis.—"1960 and Credit Management" was subject of talk by William J. Roth, second vice president, Northern Trust Co., Chicago, at the dinner meeting of the NACM Northern Wisconsin-Michigan Unit.

Cincinnati, Ohio—W. L. Sandston, supervisor of economic research, commercial research department of Armco Steel, and onetime chief of business research and analysis branch, Iron & Steel div., U.S. Dept. of Commerce, Washington, discussed the business outlook before The Cincinnati Association of Credit Management Credit Club.

Utica, N.Y.—Charles Getty, treasurer, Revere Copper & Brass Corp., turned an analytical eye on "Cost and Competition" for members of Central New York Association of Credit Men at their dinner meeting.

Detroit, Mich.—East met West at the Ladies' Night Party of the Detroit Association of Credit Management when decorations, table setting and menu played up the Oriental motif.

New Orleans, La.—Pendleton E. Lehde, president, Pendleton Terminal Corp., discussed "Alaska, Our 49th State" at noon meeting of the New Orleans Credit Men's Association.

Omaha, Neb.—W. L. Holmes, assistant treasurer, Schlumberger Well Surveying Corp., Houston, president NACM, addressed the noon meeting of the NACM Nebraska-Western Iowa Unit. His subject was "Character and Credit."

Newark, N. J.—Financial Editors Roundtable presented by the New Jersey Association of Credit Executives at their dinner meeting was composed of these four editors, each of whom spoke on different aspect of the financial picture: Elmer C. Walzer, United Press-International; Thomas E. Mullaney, New York Times; Edward J. Burke, Newark News, and Walter Breede, Jr., Associated Press. Earl R. Mellen, past president of the association and recently retired chairman of Weston Instruments Div. of Daystrom, Inc., was moderator.

Philadelphia, Pa.—"Future of Small Business," topic of panel discussion at the dinner meeting of The Credit Men's Association of Eastern Pennsylvania, had these participants: Rayson E. Roche, chief financial div., Small Business Administration; Dr. Nathaniel Jackendoff, associate professor of finance, Temple "U"; James V. Wilkinson, credit manager, Bayuk Cigars Inc., and Richard G. Jones, manager city department, Dun & Bradstreet. Lawrence T. Knier, executive manager, Robert Morris Associates, was moderator.

Grand Rapids, Mich.—"Planning Your Life Estate" was subject of Kenneth Brown, vice president and trust officer, Union Bank & Trust Co., at the business luncheon meeting of NACM (Western Michigan) Inc.

Subsequent meeting speakers were Judge John T. Letts of the Municipal Court, whose talk was titled "10,000 Forgotten Men", and Kelvin Lewis, field representative Grand Rapids Social Security Office, who discussed "Social Security and You."

St. Louis, Mo.—"Your Sales Manager and Yourself" keynoted annual joint meeting of the Sales Executives Association of St. Louis and the St. Louis Association of Credit Management, with Robert F. Hurleigh, president, Mutual Broadcasting System, New York City, as luncheon speaker.

Buffalo, N.Y.—"The Laboratory and Its Effect on the Community" was timely subject of Thomas J. Hanlon, publications branch, Cornell Aeronautical Laboratory, at the dinner meeting of the Credit Men's Association of Western New York.

With the Women's Groups

St. Louis, Mo.—"Decision Making in Business" was panel subject of Credit Women's Club meeting. Miss Lorine S. Kuerz, Te-Co. Inc., was moderator and panelist, together with Bertha Ridley, The Glidden Co. and Evelyn L. Meints, R. E. Funsten Co.

El Paso, Texas—Financial Statement Analysis featured the discussion by panelists Ed Embry of Momsen-Dunnegan-Ryan Co., Bud Hermann of State National Bank and Harald Bue of Midland Specialty Co. at the meeting of the Credit Women's Club of the Tri-State Credit Assn.

Rochester, N.Y.—Credit Clinic held by the Credit Women's Group of the Rochester Credit & Financial Management Association had as moderator William F. Bergin, assistant vice president of Genesee Valley Union Trust Co.

Pittsburgh, Pa.—John R. McClester, staff assistant, headquarters treasury department, Westinghouse Electric Corp., addressed the Pittsburgh Credit Women's Group. He related his theme "Distant Drums" to the role of business.

A joint meeting was held with the Credit Women's Breakfast Club, at which Jack Conwell, manager credit dept. coal div., Eastern Gas & Fuel Associates, discussed "Character in Credit Appraisal."

Newark, N.J.—John Nuffort, regional credit manager, American Cyanamid Corp. and instructor in credits and collections at Rutgers "U", spoke before the Newark Credit Women's Group. Public speaking was his fitting topic.

COMMERCIAL CREDIT COMPANY
AND SUBSIDIARIES
Highlights from the 48th Annual Report

FINANCE COMPANIES
- Wholesale Financing
- Instalment Financing
- Commercial Financing
- Equipment Financing and Leasing
- Fleet Lease Financing
- Rediscounting
- Personal Loans
- Factoring

INSURANCE COMPANIES
- Automobile Insurance
- Credit Insurance
- Health Insurance
- Life Insurance

MANUFACTURING COMPANIES
- Pork Products
- Metal Products
- Heavy Machinery and Castings
- Malleable, Gray Iron and Brass Pipe Fittings
- Metal Specialties
- Roller and Ball Bearing Equipment
- Machine Tools
- Toy Specialties
- Pyrotechnics
- Printing Machinery
- Valves

	1959	1958
GROSS INCOME	$ 182 805 970	$ 163 672 045
NET INCOME:		
Net income before interest and discount charges	$ 106 965 640	$ 90 980 103
Interest and discount charges	56 017 125	42 732 824
Net income from current operations, before taxes	$ 50 948 515	$ 48 247 279
United States and Canadian income taxes	23 087 649	21 444 888
Net income credited to earned surplus	$ 27 860 866	$ 26 802 391
Net income per share on common stock	$5 48	$5 29
Common shares outstanding at end of period	5 082 513	5 066 255
RESERVES:		
Reserve for losses on receivables	$ 21 907 729	$ 18 617 824
Unearned income on instalment receivables	106 995 879	79 137 245
Unearned premiums—Insurance Companies	33 673 708	27 954 932
Available for credit to future operations	$ 162 577 316	$ 125 710 001
Operations shown separately are, briefly:		
FINANCE COMPANIES:		
Gross Receivables acquired:		
Motor retail	$ 756 681 643	$ 553 129 161
Farm equipment, mobile homes and other retail	291 485 431	205 271 573
Loan receivables	216 384 173	154 641 630
Motor wholesale	1 315 331 558	904 515 368
Open accounts, leases, other wholesale notes, mortgages and factoring receivables	1 601 390 684	1 406 929 123
Total receivables acquired	$4 181 273 489	$3 224 486 855
Total receivables outstanding December 31	$1 720 834 360	$1 338 455 714
Net income of Finance Companies	$ 14 670 375	$ 16 257 950
INSURANCE COMPANIES:		
Written premiums, prior to reinsurance	$ 33 952 737	$ 27 727 167
Earned premiums	29 601 682	30 052 311
Net income (including Cavalier Life Insurance Co.)	9 763 635	7 906 844
MANUFACTURING COMPANIES:		
Net sales	$ 126 949 092	$ 133 233 066
Net income	3 426 856	2 637 597

Finance and insurance services are offered by our subsidiaries in more than 700 offices throughout the United States and Canada. Nationally known products are manufactured by our subsidiaries in ten plant locations.

COMMERCIAL CREDIT COMPANY *Baltimore 2, Maryland*

Copies of our 48th Annual Report available upon request